

**HF**

**HILTON**  
METAL FORGING LTD.

**Annual Report 2019-2020**

**BOARD OF DIRECTORS**

Shri Yuvraj Malhotra  
Shri Navraj Malhotra  
Shri Sandeep Ravindra Shah  
Shri Sukesh Kumar Joshi  
Shri Sanjay Jain  
Shri Prithivish Mundra  
Miss. Nikita Moradia

Chairman and Managing Director  
Whole time Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Siddharth Jain  
\*appointed w.e.f. 24th August, 2020

**COMPANY SECRETARY**

Ms. Richa Shah  
\*appointed w.e.f. 17th August, 2020

**STAUTORY AUDITORS**

M/s Anil Bansal & Associates.  
Chartered Accountants  
1001 IJMIMA Complex,  
Raheja's Metroplex, Link Road,  
Malad (W), Mumbai – 400064

**COST AUDITORS**

Ms. Nikita Talati  
Cost Accountants  
602 Silver Matru Prabha  
Cama Lane, Kirol Road,  
Ghatkopar West, Mumbai -400 086.

**REGISTRAR & SHARE TRANSFER AGENTS**

Sharex Dynamic (India) Pvt Ltd  
C-101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai 400 083

**INTERNAL AUDITORS**

M/s P Dangyach & Associates  
Chartered Accountants  
B 202 Sheraten Classic  
Dr Charat Sing Colony  
Chakala Andheri East,  
Mumbai-400069

**REGISTERED OFFICE**

701 Palm Spring, Link Road,  
Malad West, Mumbai 400 064

**PLANT**

Plot No 28, 29  
Shah and Mehta Industrial Estate,  
Village Ghonsai,  
Taluka Wada, Dist Thane 421312.

**CORPORATE OFFICE**

204, Tanishka Commercial Building  
Akurli Road, Near - Growel 101 Mall,  
Kandivali - East Mumbai 400101.

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**NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Hilton Metal Forging Limited will be held on Wednesday, 30<sup>th</sup> September 2020 at 4.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:****Item No. 1 :Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2020 together with the report of the Board of Directors and Auditors Report thereon and in this regard, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the audited financial statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

**Item No. 2 : Appointment of Director**

To appoint a Director in place of Mr. Navraj Hiralal Malhotra (DIN:00225183) who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Navraj Hiralal Malhotra (DIN: 00225183), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby reappointed as a Director of the Company, whose office shall be liable to retirement by rotation."

**SPECIAL BUSINESS:****Item No.3: Ratification of remuneration payable to Cost Auditor for the financial year 2020-2021**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of Rs.56,000/- (Rupees Fifty Six Thousand only) per annum plus reimbursement of actual out-of-pocket expenses, to be paid to M/s NNT & Co., Cost Auditors (Firm Registration No. 28904), who are appointed by the Board of Directors of the Company (the 'Board') as Cost Auditors of the Company to conduct the Audit of the Cost records for the Financial Year 2020 - 2021, be and is hereby ratified and approved."

**"RESOLVED FURTHER THAT** the Board (which expression shall be deemed to include any Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Item No. 4: Re-appointment of Mr. Yuvraj Malhotra (DIN: 00225156) as Chairman & Managing Director of the Company.**

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder ("Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the Act and on recommendation of Nomination and Remuneration Committee and approval of the Board at their respective meetings held on 30<sup>th</sup> June, 2020, consent of the members be and is hereby accorded to re-appoint Mr. Yuvraj Malhotra (DIN: 00225156) as Chairman & Managing Director of the Company, for the further period of three years w.e.f. 21<sup>st</sup> July, 2020 upto 21<sup>st</sup> July, 2023, liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Malhotra."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Malhotra, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**Item No. 5: Re-appointment of Mr. Navraj Malhotra (DIN: 00225183) as Whole-Time Director of the Company.**

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (“Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the Act and on recommendation of Nomination and Remuneration Committee and approval of the Board at their respective meetings held on 30th June, 2020, consent of the members be and is hereby accorded to re-appoint Mr. Navraj Malhotra (DIN: 00225183) as Whole-Time Director of the Company, for the further period of three years w.e.f. 21st July, 2020 upto 21st July, 2023, liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Malhotra.”

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Malhotra, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**For and On Behalf of Board of Directors**

**Sd/-  
Mr. Yuvraj Malhotra  
Chairman & Managing Director  
DIN: 00225156**

**Registered office:**

701, Palm Spring  
Link Road, Malad (West),  
Mumbai – 400 064.

**Date: 31<sup>st</sup> August, 2020**

**Place: Mumbai**

**NOTES:**

1. In view of the continuing restrictions on the movement of persons at several places in the country caused by outbreak of COVID – 19, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), in respect of Special business(s) to be transacted at the AGM, is annexed hereto and forms part of this Notice.
3. The information required to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and Secretarial Standards- 2 on General Meetings in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the notice.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.

**6. Closure of Books:**

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24<sup>th</sup> September, 2020 at 10.00 AM to Wednesday, 30<sup>th</sup> September, 2020 at 5.00 PM (both days inclusive).

**7. Investors Education and Protection Fund:**

a) Pursuant to the provision of section 124 & 125 of the Companies Act 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unpaid or unclaimed dividend for the financial year 2010-11 to Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded on its website the details of unpaid and unclaimed amount lying with the Company for the financial year 2012-13. The Balance amount lying in unpaid Dividend Account for the Financial Year 2012-13 is due for transfer to IEPF on 6<sup>th</sup> November, 2020.

Members who have not encashed their dividend for the above mentioned financial year and subsequently financial years are advised to write to the company immediately for claiming the dividend declared by the Company.

b) Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended, the shares in respect of which dividend is unclaimed for a period of seven consecutive years are required to be transferred by the Company to IEPF Authority.

In compliance with the said rules, the Company has transferred respected shares for Financial Year 2011-12 to DEMAT Account of IEPF Authority.

8. The voting rights of members shall be in proportion to their shareholding in the Company as on the cut-off date of Wednesday, 23<sup>rd</sup> September, 2020.

9. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF/ NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution / Authorisation etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address to [csshreyahshah@gmail.com](mailto:csshreyahshah@gmail.com) with a copy marked to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).

10. As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name are advised to make nomination in respect of their shareholding. Members holding shares in dematerialized form can lodge their nomination with their DP(s) and Member holding shares in physical form are required to fill and submit Form No. SH-13 (available on request) with the Company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Private Ltd ("RTA")

11. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), bank details, NECS, mandates, nominations etc., to their Depository Participant. Member holding shares in physical form are requested to intimate any of the above changes to the Company's RTA.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before are requested to send their queries in writing to Company at its' Corporate Office at 204, Tanishka Commercial Building, Akurli Road, Nr Growels 101 Mall, Kandivali East, Mumbai – 400101 at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting or through email on [secretarial@hiltonmetal.com](mailto:secretarial@hiltonmetal.com).

13. In compliance with the MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report for the FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

14. For receiving all communication (including Annual Report) from the Company electronically, Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants and Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's RTA at [support@sharexindia.com](mailto:support@sharexindia.com) or to the Company. Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address.

15. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com) and on the website of the Stock exchanges

**16. Process and manner for attending the Annual General Meeting through VC /OAVM:**

The Company will provide VC / OAVM facility to its Members for participating at the AGM.

1. **Open the internet browser and launch the URL:** <https://instameet.linkintime.co.in>

Select the "**Hilton Metal Forging Limited**" and '**30<sup>th</sup>September, 2020**' and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

- (a) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
- (b) Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- (c) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- (d) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- (e) Members who would like to express their views or ask questions during the AGM may register themselves with the Company on [secretarial@hiltonmetal.com](mailto:secretarial@hiltonmetal.com). The Speaker Registration will be open upto 27<sup>th</sup>September, 2020. Only those members who are registered will be allowed to express their views or ask questions. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.
- (f) Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- (g) Please remember speaking serial number and start your conversation with panelist only when moderator of the meeting/ management will announce the name and serial number for speaking by switching on video mode and audio of your device.

**Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

(a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

or

(b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**Step 1 Enter your First Name, Last Name and Email ID and click on "Join Now".**

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on "Join Now"

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or "Run a temporary application". Click on "Run a temporary application", an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on "Join Now".

**17. Procedure for Remote e-Voting and e-Voting at the AGM:**

(a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the

Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely through remote e-voting platform provided by LIPL

- (b) Further, the facility for voting through electronic voting system will also be made available at the Meeting ("InstaMeet") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through InstaMeet.
- (c) Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.
- (d) The voting period begins on Sunday, 27<sup>th</sup> September, 2020 at 10.00 AM and ends on Tuesday, 29<sup>th</sup> September, 2020 at 5.00 PM. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 23<sup>rd</sup> September, 2020, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by LIPL upon expiry of the aforesaid period.
- (e) The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter:

**Procedure for remote E-voting:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D', above
- Shareholders/ members holding shares in NSDL demat account shall provide 'D', above
- Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

5. E-voting page will appear.



6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at [https:// instavote.linkintime.co.in](https://instavote.linkintime.co.in) and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?' o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVotee-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022-4918 6000.

#### **Procedure for E-Voting at the AGM:**

- (a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- (b) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for InstaMEET and click on 'Submit'.
- (c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- (d) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- (e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- (f) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Shareholders/ Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175



**18. Scrutinizer's Report:**

- (a) The Company has appointed Ms. Shreya Shah (ACS 39409 and COP No. 15859), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
- (b) The Scrutinizer shall after the conclusion of voting at the AGM, count the votes cast during the AGM and unblock the votes cast through remote e-voting and issue, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- (c) The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com) within 48 hours of passing of the resolutions at the 15<sup>th</sup> Annual General Meeting of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited, where the shares of the company are listed.

19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in this Notice can be obtained for inspection by writing to the Company at its email ID [secretarial@hiltonmetal.com](mailto:secretarial@hiltonmetal.com) till the date of the AGM.

**For and On Behalf of Board of Directors**

**Sd/-  
Mr. Yuvraj Malhotra  
Chairman & Managing Director  
DIN: 00225156**

**Registered office:**  
701, Palm Spring  
Link Road, Malad (West),  
Mumbai – 400 064.

**Date: 31<sup>st</sup> August, 2020  
Place: Mumbai**

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 3:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s NNT & Co., Cost Accountant, Mumbai to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 at a remuneration of Rs.56,000/- (Rupees Fifty Six Thousand only) per annum plus reimbursement of actual out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified and approved by the shareholders of the Company.

Therefore, consent of the members of the Company is being sought by way of an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors. Accordingly, the Board recommends the resolution as set out of Item no.3 of the Notice for the approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM NO. 4:**

Mr. Yuvraj Malhotra (DIN: 00225156) was appointed as the chairman & Managing Director of the Company for a period of 3 (three) years w.e.f. 21<sup>st</sup> July, 2020. The said term of office of Mr. Yuvraj Malhotra expired on 20<sup>th</sup> July, 2020. The Board of Directors of the Company ("the Board"), at their meeting held on 30<sup>th</sup> June, 2020, on the recommendation of Nomination and Remuneration Committee, has, subject to approval of members, re-appointed Mr. Yuvraj Malhotra (DIN: 00225156) as the Chairman & Managing Director, for a further period of 3 (three) years from the expiry of his present term, i.e. with effect from 21<sup>st</sup> July, 2020. Following may be treated as a written memorandum setting out the terms and conditions including remuneration of Mr. Yuvraj Malhotra in accordance to provisions of the Act.

**A. BASIC SALARY:**

**Not exceeding Rs. 5,00,000/- per month**

**B. PERQUISITES & ALLOWANCES**

In addition to the basic salary referred to in (a) above, Mr. Yuvraj Malhotra shall be entitled to perquisites and allowances which will not be included in the computation of ceiling of the remuneration specified above:

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together;
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

**C. REIMBURSEMENT OF EXPENSES**

Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

The Board considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Yuvraj Malhotra would be beneficial to the Company. Mr. Yuvraj Malhotra satisfies all the conditions and is not disqualified from being appointed as a director in terms of Section 164 of the Act.

**INFORMATION PURSUANT TO SCHEDULE V PART (II) SECTION II TABLE A:**

Nature of Industry	Manufacturers and exporter of Steel forgings & allied products
Date of commencement of commercial production	21-07-2005
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA

Financial Performance based on given indicators for the financial year ended 31/03/2019 & 31/03/2020	(INR in Lakhs)		
	Particulars	31/03/2020	31/03/2019
	Total Income	10321.39	10133.37
	Expenses	10150.62	9985.09
	Profit	154.99	155.05
Export performance and net foreign exchange	Export of goods FOB Value Rs 4065.13 Lacs Exchange outgo Rs 925.74 Lacs		
Collaborations, if any	The Company does not have any foreign collaboration		
<b>Information about Appointee</b>			
Background details	Mr. Yuvraj Malhotra, who was appointed as the Chairman and Managing Director of the company for the period of 3 years i.e. from 20th July 2020 Approval for his remuneration is now sought from the Shareholders.		
Gross Annual remuneration with last employer	Annual Remuneration of Rs 60,00,000/-p.a. all inclusive of allowances and perquisites was paid in F.Y. 19-20		
Job Profile and his suitability	He is Engineering Graduate and specialized in Mechanical Engineering. He has around 35 years of experience in Forging Industry and he is well verse with export market of forgings and allied products and looking after day to day affairs of the Company.		
Remuneration Proposed	Rs.5,00,000/- per month plus allowances and perquisites as per company's rules, subject to ceiling stipulated in Schedule V of the Act.		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Your company is one of leading operator in the Forging Industries. The proposed remuneration is comparable with the other companies of similar size and nature in the Industry		
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	Being a Major Shareholder of the Company and being relative of other Key Managerial Personnel, he has pecuniary relationship apart from the remuneration drawn from the Company		
<b>Other Information</b>			
Reasons of loss or inadequate profits	Slowdown of economic activity and business operation in the last quarter due to COVID 19 pandemic, Stiff competition and lower volume in domestic market, pressure on currency are the primary reason lower profit margins.		
Steps taken or proposed to be taken for improvement	Strengthening domestic supply chain system		
Expected increase in Productivity and profits in measurable terms	Rearranging system for maximum possible use of all machinery.		
Disclosures	The remuneration package details are given above		

Details of Mr. Yuvraj Malhotra are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members.

Mr. Yuvraj Malhotra being the appointee and his immediate relatives are interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Except Mr. Navraj Malhotra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**ITEM NO. 5**

Mr. Navraj Malhotra (DIN: 00225183) was appointed as the Whole-Time Director of the Company for a period of 3 (three) years w.e.f. 21<sup>st</sup> July, 2020. The said term of office of Mr. Yuvraj Malhotra expired on 20<sup>th</sup> July, 2020. The Board of Directors of the Company ("the Board"), at their meeting held on 30<sup>th</sup> June, 2020, on the recommendation of Nomination and Remuneration Committee, has, subject to approval of members, re-appointed Mr. Navraj Malhotra (DIN: 00225183) as the Whole-Time Director, for a further period of 3 (three) years from the expiry of his present term, i.e. with effect from 21<sup>st</sup> July, 2020. Following may be treated as a written memorandum setting out the terms and conditions including remuneration of Mr. Yuvraj Malhotra in accordance to provisions of the Act.

**A. BASIC SALARY:**

Not exceeding Rs. 2,00,000/- per month

**B. PERQUISITES & ALLOWANCES**

In addition to the basic salary referred to in (a) above, Mr. Navraj Malhotra shall be entitled to perquisites and allowances which will not be included in the computation of ceiling of the remuneration specified above:

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together;
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure 7 The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost..

**C. REIMBURSEMENT OF EXPENSES**

Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

Mr. Navraj Malhotra has rich experience in the industry and has been involved in the operations of the Company since the year 1990. It would be in the interest of the Company to continue to avail of his considerable expertise.

Mr. Navraj Malhotra satisfies all the conditions and is not disqualified from being appointed as a director in terms of Section 164 of the Act.

**INFORMATION PURSUANT TO SCHEDULE V PART (II) SECTION II TABLE A:**

Nature of Industry	Manufacturers and exporter of Steel forgings & allied products		
Date of commencement of commercial production	21-07-2005		
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA		
Financial Performance based on given indicators for the financial year ended 31/03/2019 & 31/03/2020	<b>(INR in Lakhs)</b>		
	<b>Particulars</b>	<b>31/03/2020</b>	<b>31/03/2019</b>
	Total Income	10321.39	10133.37
	Expenses	10150.62	9985.09
	Profit	154.99	155.05
Export performance and net foreign exchange	Export of goods FOB Value Rs 4065.13 Lacs Exchange outgo Rs 925.74 Lacs		
Collaborations, if any	The Company does not have any foreign collaboration		
<b>Information about Appointee</b>			
Background details	Mr. Navraj Malhotra, who was appointed as the Whole Time Director of the company for the period of 3 years i.e. from 20th July 2020 Approval for his remuneration is now sought from the Shareholders.		

Gross Annual remuneration with last employer	Annual Remuneration of Rs 24,00,000/-p.a. all inclusive of allowances and perquisites was paid in F.Y. 19-20
Job Profile and his suitability	He is Commerce graduate and has around 15 years in commercial aspects of the industry and he looks after the Purchase, Production planning and other commercial aspects such as shipment, liaisoning with Government department etc of the company.
Remuneration Proposed	Rs.2,00,000/- per month plus allowances and perquisites as per company's rules, subject to ceiling stipulated in Schedule V of the Act.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Your company is one of leading operator in the Forging Industries. The proposed remuneration is comparable with the other companies of similar size and nature in the Industry
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	Being a Major Shareholder of the Company and being relative of other Key Managerial Personnel, he has pecuniary relationship apart from the remuneration drawn from the Company
<b>Other Information</b>	
Reasons of loss or inadequate profits	Slowdown of economic activity and business operation in the last quarter due to COVID 19 pandemic, Stiff competition and lower volume in domestic market, pressure on currency are the primary reason lower profit margins.
Steps taken or proposed to be taken for improvement	Strengthening domestic supply chain system
Expected increase in Productivity and profits in measurable terms	Rearranging system for maximum possible use of all machinery.
Disclosures	The remuneration package details are given above

Details of Mr. Navraj Malhotra are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Mr. Navraj Malhotra being the appointee and his immediate relatives are interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Except Mr. Yuvraj Malhotra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**For and On Behalf of Board of Directors**

**Sd/-**  
**Mr. Yuvraj Malhotra**  
**Chairman & Managing Director**  
**DIN: 00225156**

**Registered office:**

701, Palm Spring  
Link Road, Malad (West),  
Mumbai – 400 064.

Date: 31st August, 2020

Place: Mumbai

**DIRECTORS' REPORT**

To  
**The Members**  
**Hilton Metal Forging Limited**

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Statements of Accounts and the Auditors Report of your Company for the Financial Year (FY) ended 31st March, 2020.

**1. FINANCIAL HIGHLIGHTS**

(Rs in Lakhs)

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>
Total Income	10321.39	10133.37
Total Expenses	10150.62	9985.09
Profit Before Tax	170.77	148.28
Provision for Tax	-15.78	-6.77
Profit After Tax	154.99	155.05

During the FY under review, the total revenue of the Company increased by 1.85% to Rs. 10321.39 Lakhs (PY: Rs. 10133.37 Lakhs). The Profit after tax decreased by 0.03% to Rs. 154.99 Lakhs (PY: Rs. 155.05 Lakhs).

**2. IMPACT OF COVID 19**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity causing significant disturbance and slowdown of economic activity and business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel and closure / lockdown of production facilities.

Measures were taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services etc. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. As of March 31, 2020, work from home was enabled for the employees to work remotely and securely. Although there are uncertainties due to the pandemic, The Company is confident to navigate the challenges ahead and gain market share. The Management is closely analyzing and monitoring the situation and getting prepared to emerge stronger in the longer term.

**3. CHANGE IN NATURE OF BUSINESS**

There was no change in nature of business of the Company during the year under review.

**4. TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013**

The Company has not transferred any amount to General Reserves for the FY 2019-2020.

**5. DIVIDEND**

To conserve the resources, your Directors have not recommended any dividend for the FY 2019-2020.

**6. PUBLIC DEPOSITS**

During the FY under review, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits within the purview of section 73 of the Companies Act, 2013 and rules made thereunder.

**7. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

The Company does not have any Subsidiary, Joint Venture or Associate Company.

**8. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund

Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF).

Accordingly, during the year, the Company has transferred the unpaid or unclaimed dividend for the period of 7 (seven) years from the date they became due for payment alongwith the shares thereof, to IEPF. The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company.

The shareholders of the Company who have not received or encashed their dividend for the financial years as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the abovementioned Fund.

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In Rs.)	Due Date for transfer to IEPF Account
1	2012-13	30-09-2013	59,204	06-11-2020
2	2013-14	27-09-2014	46,134	03-11-2021
3	2014-15	30-09-2015	68,632	06-11-2022
4	2015-16	NA	-	-
5	2016-17	NA	-	-
6	2017-18	NA	-	-
7	2018-19	NA	-	-

**9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT**

No material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year and the date of this Report

**10. EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended), forms part of this Report and marked as "Annexure I"

**11. DIRECTORS AND KEY MANAGERIAL PERSONNELS**

**a) Composition of Board and Key Managerial Personnel**

The Board is constituted with an optimum combination of Executive and Non-Executive Directors in accordance with the requirements of the Act read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the FY under review, the following changes took place in the composition of the Board:

Name of the Director	Date of Appointment	Date of Resignation
Mr. Sandeep Shah	15th May, 2019	-
Mr. Harmohindar Singh Dhingra	29th March, 2006	16th May, 2019
Mr. Prithivesh Mundra	5th August, 2019	-
Miss. Nikita Moradia	6th August, 2019	-
Mr. Rajiv Verma	7th April, 2016	11th November, 2019
Mrs. Diksha Malhotra	25th March, 2015	11th November, 2019

**Appointment/Re-appointment of Directors in AGM**

In terms of provisions of the Companies Act, 2013, Mr. Navraj Malhotra, Whole Time Director of the Company, will retire by rotation at the ensuing Annual General Meeting in pursuance of Section 152 of the Act and being eligible, and offers himself for re-appointment. The Board recommends his re-appointment.



The term of office of Mr. Yuvraj Malhotra as Chairman and Managing Director of the Company has expired on 20th July, 2020. The Board, on the recommendation of the Nomination and Remuneration Committee have approved the re-appointment of Mr. Yuvraj Malhotra as the Chairman and Managing Director of the Company for a period of 3 (three) years with effect from 21st July, 2020, subject to the approval of shareholders at the ensuing AGM.

The term of office of Mr. Navraj Malhotra as Whole-time Director of the Company has expired on 20th July, 2020. The Board, on the recommendation of the Nomination and Remuneration Committee have approved the re-appointment of Mr. Navraj Malhotra as the Whole-time Director of the Company for a period of 3 (three) years with effect from 21st July, 2020, subject to the approval of shareholders at the ensuing AGM.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed to be appointed/re-appointed is given in the Notice convening 15th Annual General Meeting.

### **Key Managerial Personnel**

Pursuant to the provisions of Sections 2(51), and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of the Company as on 31st March 2020 are Mr. Yuvraj Malhotra, Managing Director and Mr. Saurabh Johri as Chief Executive Officer.

During the FY under review, our Company Secretary & Compliance Officer, Ms. Labdhi Shah and Chief Financial Officer, Ms. Yashika Malhotra has tendered their Resignation from the post w.e.f 1st December, 2019 & 12th February, 2020 respectively.

The Company has appointed Ms. Richa Shah as Company Secretary and Compliance Officer of the Company w.e.f. 17th August, 2020 and Mr. Siddharth Jain as Chief Financial Officer of the Company w.e.f. 24th August, 2020.

### **b) Declaration by Independent Director(s)**

The Company has received declarations from all the Independent Directors of the Company affirming compliance with the criteria of independence laid under the provisions of Section 149(6) of the Act and under Regulation 16 (1) (b) of Listing Regulations.

### **c) Board Meetings**

During the year under review, the Company held Six Board Meetings and a separate meeting of Independent Directors. The details of meetings of the Board are provided in the Report on Corporate Governance that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Act.

### **d) Performance Evaluation of the Board**

Pursuant to the provisions of the Act, and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees.

At the meeting of the Board all the relevant factors, that are material for evaluating the performance of individual Directors, the Board and its various committees were discussed in detail. Various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance etc. were taken into consideration.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting.

The Directors expressed their satisfaction with the evaluation process.

**e) Committees of the Board**

The Board has constituted a set of committees in accordance with the requirements of the Act. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The statutorily mandated committees constituted under the provisions of the Act and Listing Regulations are Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The composition, terms of reference and other such necessary details of these Board level committees are provided in the Corporate Governance Report forming part of this Annual Report.

Pursuant to the Provision of Section 178 of the companies' act 2013 and Regulation 19 of Listing Regulation and on recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a policy on Criteria for Selection and Appointment of Directors, Senior Management Personnel and their remuneration. Nomination and Remuneration policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of the Company and the same has been annexed to this Report and marked as "Annexure-II" and is also available on the Company's Website [www.hiltonmetal.com](http://www.hiltonmetal.com).

**12. VIGIL MECHANISM**

As per the provisions of Section 177(9) of the Companies Act, 2013 the Company has formulated Whistle Blower Policy and is required to establish a vigil mechanism for Directors and Employees. The Whistle Blower Policy can be accessed on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com).

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March 2020 and confirm that:

- a. in the preparation of the annual accounts, for financial year 2019-20, the applicable accounting standards had been followed and there are no material departures from the same;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. PREVENTION OF INSIDER TRADING**

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised "Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities" of the Company ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of 'legitimate purposes' as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information (UPSI) and aims at preventing misuse of UPSI. The Code is available on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com).

**15. RISK MANAGEMENT**

The Company implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system on risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep update and address emerging challenges.

**16. DETAILS ABOUT CSR COMMITTEE, POLICIES, IMPLEMENTATION AND INITIATIVES**

Provisions of Section 135 of Companies Act, 2013 are not applicable to the Company.

**17. REPORT ON CORPORATE GOVERNANCE**

Report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Annual Report. Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report on Corporate Governance.

**18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, forms an integral part of this Annual Report.

**19. AUDITORS****a) STATUTORY AUDITORS AND THEIR REPORT:**

M/s. Anil Bansal & Associates, Chartered Accountants, has been appointed as statutory auditors of the Company by the shareholders of the Company from the conclusion of 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting.

The Company have received a confirmation from them to the effect that their appointment, if made, would be within the prescribed limits U/s 141 of the Companies Act, 2013 and the Rules framed thereunder.

The observations and comments given by the Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under section 134 of the Companies Act, 2013 except the remark as stated below:

Non-appointment of Chief Financial Officer and full-time Company Secretary as required under section 203 of the Companies Act.

**Directors' comments:**

The Company has shortlisted Company Secretary in the Month of February, 2020 who was to join from the month of May 2020 to fill in the vacancy caused after the resignation of Company Secretary in the month of November 2019. However due to lock down consequent to Covid-19 Pandemic, the selected candidate has delayed in joining and thus the appointment was made on 17th August, 2020.

In case of Chief Financial Officer, the Company has resumed interview process of the candidates to fill in the vacancy caused after the resignation of Chief Financial Officer in the month of February 2020. However due to lock down consequent to Covid-19 Pandemic, the delay was caused in shortlisting the right candidate and the said vacancy was filled on 24th August, 2020.

Further the Auditors' Report for the financial year ended, 31st March, 2020 is annexed herewith for your kind perusal and information.

**b) COST AUDITORS AND THEIR REPORT:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited. In view of above, the Board has appointed to Ms. Nikita Talati, Cost Accountants as the Cost Auditor of the Company for conducting the Cost Audit for the Financial year 2020-21.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor forms part of the Notice convening the 15th Annual General Meeting.

**c) SECRETARIAL AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended) the Company has appointed Ms. Shreya Shah, Practicing Company Secretary (Membership No. 39409) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2020.

The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith and marked as '**Annexure III**' to this Report. In the Report, the Secretarial Auditor has observed that following:

- i. Non-Appointment of Qualified Company Secretary as Key Managerial Personnel and Compliance Officer as well as Non-Appointment of Chief Financial Officer as Key Managerial Personnel pursuant to Section 203 of the Companies Act and rules framed thereunder

**Directors' Comments:**

The Company has shortlisted Company Secretary in the Month of February, 2020 who was to join from the month of May 2020 to fill in the vacancy caused after the resignation of Company Secretary in the month of November 2019. However due to lock down consequent to Covid-19 Pandemic, the selected candidate has delayed in joining and thus the appointment was made on 17th August, 2020.

In case of Chief Financial Officer, the Company has resumed interview process of the candidates to fill in the vacancy caused after the resignation of Chief Financial Officer in the month of February 2020. However due to lock down consequent to Covid-19 Pandemic, the delay was caused in shortlisting the right candidate and the said vacancy was filled on 24th August, 2020.

- ii. Non-filing of Foreign Liabilities and Assets return for the year ended 31st March, 2020

**Directors Comments:**

Directors are of the view that the said provisions are not applicable.

- iii. Delay in furnishing prior intimation of Meeting of Board of Directors held to approve quarterly financial results for quarter ended 30th June 2019 in accordance with Regulation 29 (2) of SEBI (LODR), 2015

**Directors Comments:**

Delay in intimation was caused due to preponement of the scheduled meeting at very last moment due to unavailability of the Statutory Auditors to remain present at the appointed date of the meeting necessitating the Company to prepone the Meeting. The Company submitted requisite clarifications to the stock exchanges in this regard and paid penal fees under SEBI SOP guidelines.

- v. Following details in accordance of Schedule V of SEBI (LODR), 2015 are not incorporated in the Annual Report for FY 18-19:

- (i) Clause (1)(i) "significant change in Key Financial Ratios" and Clause (1)(j) "change in Return on Networth" of Part "B" "Management Discussion and Analysis"; and
- (ii) Clause (2)(h)-"A chart or a matrix setting out the skills /expertise /competence of the board of directors", and Clause (9)(q) "list of all credit ratings obtained by the entity" of Part "C"- Corporate Governance Report

**Directors Comments:**

Required details were inadvertently missed out in the Annual Report for FY 18-19

**d) Internal Auditor & their reports**

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. P Dangyach & Associates., Chartered Accountants as the Internal Auditor of the Company.

The Internal Audit reports are reviewed by the Audit Committee on periodic basis.

**e) Reporting of fraud by Auditors**

During the FY under review, the Auditors of the Company have not identified or reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

**20. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls system, commensurate with the size, scale and complexity of its operation. The scope and authority of the Internal Audit function is well defined. The Internal Auditor reports to the Chairman of the Audit Committee. Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee evaluates the efficiency and adequacy of the financial control system in the company and strives to maintain the standards in the Internal Financial Control.

**21. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS**

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures on particulars relating to loans, advances and investments as on 31st March 2020 are given in the Notes to the Financial Statements. There are no guarantees issued, or securities provided by your Company in terms of Section 186 of the Companies Act, 2013, read with the Rules issued thereunder.

**22. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into with related parties during the FY were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

**23. SHARE CAPITAL:**

The Company has neither issued any Sweat Equity Shares or Bonus shares nor have bought back any of its securities nor have provided any stock option scheme to the employees during the FY under review.

**24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith and marked as "Annexure-IV"

**25. PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details are required under section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2020 and is attached to this Report and marked as "Annexure V"

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

**26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various practices and always endeavors to provide an environment that is free from discrimination. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Company also ensures all allegations of sexual harassment are investigated and dealt with effectively and appropriately.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2020, the Company has not received any complaints of sexual harassment.

**25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and Company's operation in future.

**26. STATUTORY COMPLIANCE**

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director. The Company ensures compliance of the Companies Act, 2013; SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and various statutory authorities on quarterly basis in the Board Meeting.

**Compliance with Secretarial Standards**

During the year under review, the Company has complied with all the applicable mandatory Secretarial Standards.

**27. APPRECIATION & ACKNOWLEDGEMENTS:**

The Board of Directors would like to express their sincere appreciation for the commitment, dedication and hard work done by the employees of the Company and the positive co-operation extended by Banks, Government Authorities, Customers and various other stakeholders. The Board also wish to place on record their deep gratitude towards the shareholders for their continued support and confidence.

**For and on behalf of the Board of Directors**

**Sd/-  
Yuvraj Malhotra  
Chairman & Managing Director  
DIN: 00225156**

Place: Mumbai  
Date: 31st August, 2020

**ANNEXURE-I**

**FORM NO. MGT-9**

Extract of the Annual Return as on the financial year ended 31st March, 2020  
(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

**I. REGISTRATION AND OTHER DETAILS**

- i. **CIN:** L28900MH2005PLC154986
- ii. **Registration Date:** 21st July 2005
- iii. **Name of the Company:** HILTON METAL FORGING LIMITED
- iv. **Category:** Company Limited by shares  
**Sub-Category of the Company:** Indian Non-Government Company
- v. **Address of the Registered Office and contact details:**  
701, Palm Spring, Link Road, Mumbai- 400064  
Tel.: 022-4042 6565, Fax: 022-40426566  
Email: secretarial@hiltonmetal.com  
Website: www.hiltonmetal.com
- vi. **Whether Listed Company:** Yes, Listed on BSE and NSE.
- vii. **Name, Address and Contact details of Registrar and Transfer Agent:**  
M/s. Sharex Dynamic (India) Private Limited.  
Unit 1, Luthra Industrial Premises  
Safed Pool, Andheri – Kurla Road  
Andheri – East, Mumbai - 400 072  
Ph: 022 – 28515606/5644.  
Fax :022-28512885  
Website: www.sharexindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES**

All the business activities contributing 10 % or more of the total turnover of the Company

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1.	Forging and Metal	28910	100%

**III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr No	Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2019)				No. of shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									



<b>(1) Indian</b>									
a) Individual/HUF	6236962	-	6236962	50.124	6248497	-	6248497	50.217	0.093
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>6236962</b>	<b>-</b>	<b>6236962</b>	<b>50.124</b>	<b>6248497</b>	<b>-</b>	<b>6248497</b>	<b>50.217</b>	<b>0.093</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6236962</b>	<b>-</b>	<b>6236962</b>	<b>50.124</b>	<b>6248497</b>	<b>-</b>	<b>6248497</b>	<b>50.217</b>	<b>0.093</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	71	0	71	0.001	0	0	0	0	-0.001
c) Central Govt	6431	0	6431	0.052	25859	0	25859	0.208	0.156
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>6502</b>	<b>0</b>	<b>6502</b>	<b>0.053</b>	<b>25859</b>	<b>0</b>	<b>25859</b>	<b>0.208</b>	<b>0.155</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	281160	-	281160	2.260	118451	-	118451	0.952	-1.308
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3867878	5	3867883	31.085	3863233	5	3863238	31.047	-0.038
ii) Individual									

shareholders holding									
nominal share capital in									
excess of Rs 1 lakh	1723430	0	1723430	13.851	1896863	0	1896863	15.244	1.393
c) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Clearing member	88727	-	88727	0.713	47553	-	47553	0.382	-0.331
Market Maker	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians	88352	0	88352	0.71	92555	0	92555	0.744	0.034
Overseas Corporate Bodies	0	150000	150000	1.205	150000	0	150000	1.205	-
<b>Sub-total (B)(2):</b>	<b>6199547</b>	<b>5</b>	<b>6199552</b>	<b>49.824</b>	<b>6168655</b>	<b>5</b>	<b>6168660</b>	<b>49.574</b>	<b>-0.25</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	6206049	5	6206054	49.877	6194514	5	6194519	49.782	-0.095
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	12443011	5	12443016	100	12443011	5	12443016	100	-

**(ii) Shareholding of Promoters**

Shareholders Name	No. of shares held at the beginning of the year (As on 01.04.2019)			No. of shares held at the end of the year (As on 31.03.2020)			% Change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
YUVRAJ HIRALAL MALHOTRA	5687334	45.707	44.812	5688959	45.72	44.812	0.013
DIKSHA YUVRAJ MALHOTRA	393975	3.166	0	403885	3.246	0	0.08
NAVRAJ MALHOTRA	149653	1.203	0	149653	1.203	0	0
SEEMA GUJRAL	6000	0.048	0	6000	0.048	0	0

**(iii) Change in Promoters' Shareholding**

	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the Year (As on 31.03.2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Yuvraj Hiralal Malhotra</b>				
At the beginning of the year	5687334	45.707	5687334	45.707
Changes during the year				
<b>Date</b>	<b>Reason</b>			
29-06-2019	Buy	1000	5688334	45.715
05-07-2019	Buy	625	5688959	45.720

At the End of the year		5688959	45.720	5688959	45.720
<b>Diksha Yuvraj Malhotra</b>					
At the beginning of the year		393975	3.166	393975	3.166
Changes during the year					
<b>Date</b>	<b>Reason</b>				
27-09-2019	Sold	-90	-0.000	393885	3.166
20-03-2020	Buy	6250	0.050	400135	3.216
27-03-2020	Buy	3750	0.030	403885	3.246
At the End of the year		403885	3.246	403885	3.246

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

<b>1. SANGEETHA S</b>					
At the beginning of the year		32400	0.260	32400	0.260
Changes during the year					
<b>Date</b>	<b>Reason</b>				
08-11-2019	Buy	376270	3.024	408670	3.284
At the End of the year				408670	3.284
<b>2. DEEPAK GUPTA</b>					
At the beginning of the year		222560	1.789	222560	1.789
Changes during the year					
<b>Date</b>	<b>Reason</b>				
05-04-2019	Buy	15414	0.124	237974	1.913
03-05-2019	Buy	5192	0.041	243166	1.954
At the End of the year		243166	1.954	243166	1.954
<b>3. EVENORT LTD</b>					
At the beginning of the year		150000	1.205	150000	1.205
Changes during the year		No Change During the year			
At the End of the year		150000	1.205	150000	1.205
		<b>Shareholding at the beginning of the year (As on 01.04.2019)</b>		<b>Cumulative Shareholding during the Year (As on 31.03.2020)</b>	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4. PRADEEP PRABHAKAR RAO</b>					
At the beginning of the year		95107	0.764	95107	0.764
At the End of the year		95107	0.764	95107	0.764
<b>5. YATIN GUPTA</b>					
At the beginning of the year		91907	0.739	91907	0.739
Changes during the year		No Change During the year			
At the End of the year		91907	0.739	91907	0.739
<b>6. NANDRE RANADHER</b>					
At the beginning of the year		0	0	0	0
Changes during the year					
<b>Date</b>	<b>Reason</b>				
31-12-2019	Buy	32308	0.260	32308	0.260
10-01-2020	Buy	6	0.000	32314	0.260

17-01-2020	Buy	2971	0.024	35285	0.284
21-02-2020	Buy	106	0.000	35391	0.284
20-03-2020	Buy	21255	0.171	56646	0.455
At the End of the year		56646	0.455	56646	0.455
<b>7. CHIRAG SHANTILAL SHAH</b>					
At the beginning of the year		52352	0.421	52352	0.421
Changes during the year		No Change During the year			
At the End of the year		52352	0.421	52352	0.421
<b>8. SANJAYKUMAR VISHWAMBHARLAL DHANDHAR</b>					
At the beginning of the year		0	0	0	0
Changes during the year					
<b>Date</b>	<b>Reason</b>				
26-04-2019	Buy	50000	0.402	50000	0.402
At the End of the year		50000	0.402	50000	0.402
<b>9. PRANAV SATISH DOSHI</b>					
At the beginning of the year		48000	0.386	48000	0.386
Changes during the year		No Change during the Year			
At the End of the year		48000	0.386	48000	0.386
<b>10. MAHESH N AVLANI AND OTHERS HUF</b>					
At the beginning of the year		45924	0.369	45924	0.369
Changes during the year		No Change during the Year			
At the End of the year		45924	0.369	45924	0.369

**(v) Shareholding of Directors and Key Managerial Personnel:**

		Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the Year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Yuvraj Hiralal Malhotra</b> (Managing Director)					
At the beginning of the year		5687334	45.707	5687334	45.707
Changes during the year					
<b>Date</b>	<b>Reason</b>				
29-06-2019	Buy	1000	0.008	5688334	29-06-2019
05-07-2019	Buy	625	0.005	5688959	05-07-2019
At the End of the year		5688959	45.720	5688959	45.720
<b>Mr. Navraj Hiralal Malhotra</b> (Whole time director)					
At the beginning of the year		149653	1.20	149653	1.20
Changes during the year		No Change During the year			
At the End of the year		149653	1.20	149653	1.20
<b>Mrs. Diksha Yuvraj Malhotra</b> (Director)*					
At the beginning of the year		393975	3.166	393975	3.166
Changes during the year					
<b>Date</b>	<b>Reason</b>				

27-09-2019	Sold	-90	-0.000	393885	27-09-2019
20-03-2020	Buy	6250	0.050	400135	20-03-2020
27-03-2020	Buy	3750	0.030	403885	27-03-2020
At the End of the year		403885	3.246	403885	3.246
<b>Mr. Harmohindar Singh Dhingra (Director)*</b>					
At the beginning of the year		1250	0.00	1250	0.00
Changes during the year		No Change During the year			
At the End of the year		1250	0.00	1250	0.00
<b>Mr. Rajiv Sushil Verma (Director)*</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mr. Sanjay Suresh Jain (Director)</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mr. Sukesh Kumar Joshi (Director)</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mr. Sandeep Ravindra Shah</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mr. Prithivish Mundra</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mrs. Nikita Moradia</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Ms. Yashika Malhotra (CFO)**</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Mr. Saurabh Johri (CEO)</b>					
At the beginning of the year		0	0	0	0
Changes during the year		No Change During the year			
At the End of the year		0	0	0	0
<b>Ms. Labdhi Shah (CS) ***</b>					
At the beginning of the year		0	0	0	0

Changes during the year		No Change During the year			
At the End of the year		0	0	0	0

\* Mr. Harmohinder Singh Dhingra resigned from the Board of Directors of the Company w.e.f. 16th May, 2019 and Mr. Rajiv Verma and Mrs. Diksha Malhotra resigned w.e.f. 11th November, 2019

\*\* Ms. Yashika Malhotra resigned as Chief Financial Officer w.e.f. 12.02.2020

\*\*\* Ms. Labdhi Shah resigned as Company Secretary w.e.f. 01.12.2019

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 1st April, 2019</b>				
i) Principal Amount	3866.90	324.73	-	4191.63
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>3866.90</b>	<b>324.73</b>	<b>-</b>	<b>4191.63</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	289.91	-	-	289.91
• Reduction	-	-28.48	-	-28.48
<b>Net Change</b>	<b>289.91</b>	<b>-28.48</b>	<b>-</b>	<b>286.22</b>
<b>Indebtedness at the end of the financial year i.e. 31st March, 2020</b>				
i) Principal Amount	4156.81	296.25	-	4453.06
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>4156.81</b>	<b>296.25</b>	<b>-</b>	<b>4453.06</b>

- Consequence of COVID-19, and moratorium granted by RBI, the banks have not recovered interest to the tune of Rs 24.79 lacs (March 2020) same is not reflecting in above table.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

Particulars of Remuneration	Mr. Yuvraj Hiralal Malhotra (Managing Director)	Mr. Navraj Hiralal Malhotra (Whole-time Director)	Mrs. Diksha Yuvraj Malhotra (Executive Director)#	Total Amount
<b>Gross salary</b>				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,00,000	24,00,000	17,50,000	86,50,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-

(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
<b>Commission</b> - as % of profit - others	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>45,00,000</b>	<b>24,00,000</b>	<b>17,50,000</b>	
<b>Total (A)</b>				<b>86,50,000</b>
Ceiling as per the Act	Within the limits as approved by the Shareholders			

# Mrs. Diksha Malhotra Executive Director has tendered her resignation w.e.f. 11.11.2019

**B. Remuneration to other directors:**

Independent Directors	Mr. Harmohindar Singh Dhingra %	Mr. Rajiv Sushil Verma ^	Mr. Sanjay Suresh Jain	Mr. Sukesh Kumar Joshi	Mr. Sandeep Shah \$	Mr. Prithivesh Mundra @	Mrs Nikita Moradia+
• Fee for attending board / committee meetings	10000	-	-	40000	50000	40000	30000
• Commission	-	-	-	-	-	-	-
• Others	-	-	-	-	-	-	-
<b>Total</b>	<b>10000</b>	<b>-</b>	<b>-</b>	<b>40000</b>	<b>50000</b>	<b>40000</b>	<b>30000</b>
<b>Total (B)</b>							<b>1,70,000</b>
<b>Total Managerial Remuneration (A+B)</b>							<b>88,20,000</b>
<b>Overall Ceiling as per the Act</b>	Within the limits as approved by the Shareholders						

\*\*The Remuneration to the Managerial Personnel is given as per Schedule V of the Companies Act, 2013.

% Mr. Harmohindar Singh Dhingra, Independent Director has tendered his resignation w.e.f. 16th May, 2019

^ Mr. Rajiv Verma, Independent Director has tendered his resignation w.e.f. 11th November, 2019.

\$ Mr. Sandeep Shah appointed as Independent Director w.e.f 15th May, 2019

@ Mr. Prithivesh Mundra appointed as Independent Director w.e.f 5th August, 2019

+ Mrs Nikita Moradia appointed as Independent Director w.e.f 6th August, 2019

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Particulars of Remuneration	Key Managerial Personnel			Total Amount
	Mr. Saurabh Johri (Chief Executive Officer)*	Ms. Yashika Malhotra (CFO)#	Ms. Labdhi Shah (Company Secretary)@	
<b>Gross Salary</b>	-	-	-	-
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	10,00,000	2,65,000	<b>36,65,000</b>
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-



Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission				
- as % of profit				
- others	-	-	-	-
Others	-	-	-	-
<b>Total</b>	24,00,000	10,00,000	2,65,000	<b>36,65,000</b>

\*Mr. Saurabh Johri Chief Executive Officer, has tendered his resignation w.e.f 10th April, 2020

# Mrs Yashika Yuvraj Malhotra, Chief Financial Officer has tenderd her resignation w.e.f 12th February2020

@ Ms. Labdhi Shah, Company Secretary has tenderd her resignation w.e.f. 1st December, 2019

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

**ANNEXURE II****REMUNERATION POLICY OF HILTON METAL FORGING LIMITED FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT.****1. Preamble:**

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

**2. Aims & Objectives**

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
- 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
- 2.1.2 The remuneration policy seeks to enable the company to provide a well balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.1.3 The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.1.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**3. Principles of remuneration**

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

**4. Nomination and Remuneration Committee**

- 4.1 The Remuneration and Compensation Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.2 The Committee shall be responsible for

- 4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- 4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.3 The Committee shall:
  - 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
  - 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
  - 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
  - 4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.
- 4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:
  - 4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
  - 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity and
  - 4.4.3 review the terms of executive Directors' service contracts from time to time.

## **5 Procedure for selection and appointment of the Board Members**

- 5.1 Board membership criteria The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board 6 Procedure for selection and appointment of Executives other than Board Members
- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;

- 6.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

## **7. Compensation Structure**

- (a) Remuneration to Non-Executive Directors: The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors will be as per industrial norms and mutually agreed from time to time. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013. (b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) &
- (b) Senior Management Personnel (s) (SMPs): The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

## **8. Role of Independent Directors**

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommend removal of executive directors and Employees.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

## **9. Approval and publication**

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013 10 Supplementary provisions
- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

**Form No. MR-3****SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**The Members,  
HILTON METAL FORGING LIMITED  
701, Palm Spring, Link Road,  
Mumbai-400064**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HILTON METAL FORGING LIMITED (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March 2020. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have relied on and examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
    - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:
  - (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investment were not attracted during the year under review.
4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion,

adequate system and process exists in the company to monitor and ensure compliances with the provisions of general laws and there are no Laws and Regulations applicable specifically to the Company having regard to the sector/industry of the Company as identified and confirmed by the management.

5 I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to my knowledge except:

1. Non-Appointment of Qualified Company Secretary as Key Managerial Personnel and Compliance Officer pursuant to Section 203 of the Companies Act and rules framed thereunder read with Regulation 6 of SEBI (LODR), 2015 as well as Non-Appointment of Chief Financial Officer as Key Managerial Personnel pursuant to Section 203 of the Companies Act and rules framed thereunder;
2. Non-filing of Annual Return on Foreign Liabilities and Assets for the financial year ended on 31st March 2020 within the due date as prescribed under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
3. Delay in furnishing prior intimation of Meeting of Board of Directors held to approve quarterly financial results for quarter ended 30th June 2019 in accordance with Regulation 29 (2) of SEBI (LODR), 2015; and
4. Following details in accordance of Schedule V of SEBI (LODR), 2015 are not incorporated in the Annual Report
  - (i) Clause (1)(i) "significant change in Key Financial Ratios" and Clause (1)(j) "change in Return on Networth" of Part "B" "Management Discussion and Analysis" and
  - (ii) Clause (2)(h)-"A chart or a matrix setting out the skills /expertise /competence of the board of directors" and Clause (9)(q) "list of all credit ratings obtained by the entity" of Part "C"- Corporate Governance Report

**I further report that** compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory Auditors and other designated professionals.

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under review, no events/actions occurred which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc. referred to above.

**SHREYA SHAH**  
**Practising Company Secretary**  
**Mem No. A39409/CoP: 15859**  
**UDIN: A039409B000577782**

Date: 30th July, 2020  
Place: Mumbai

**Note:** This report is to be read with my letter of even date which is annexed as ANNEXURE-A and forms an integral part of this report.

**ANNEXURE- A**

**The Members,  
HILTON METAL FORGING LIMITED  
701, Palm Spring, Link Road,  
Mumbai-400064**

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period. Due to ongoing COVID19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**SHREYA SHAH  
Practising Company Secretary  
Mem No. A39409/CoP: 15859  
UDIN: A039409B000577782**

Date: 30th July, 2020  
Place: Mumbai



**ANNEXURE-IV**

**Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

**A. CONSERVATION OF ENERGY**

**(i) Steps taken by the company on conservation of energy**

Energy conservation is priority area for the Company, and the measures taken during the year included:

1. Systematic maintenance of furnaces to ensure optimum performance.
2. Overall Equipment Effectiveness improvement.
3. Load Management to achieve unity power factor.
4. Installed translucent sheets for natural lights.
5. Energy saving by optimum utilization of furnaces
6. Cycle time reduction of forging units.
7. Use energy efficient motors in various equipment's.
8. Awareness and training programs for employees

**(ii) Additional investment proposals, if any, being implemented for reduction of consumption of energy.**

Proposed work area includes furnaces, water cooling plants, servo control voltage stabilizers for lighting, compressed air systems and selection of energy efficient plant and machinery.

**(iii) Impact of the above measures for reduction of energy consumption and consequent impact of the cost of the production of goods**

On account of the measures taken and proposed to be taken, the Company is confident of improving raw material yield and reduce the cost incurred towards fuel costs. The measures taken will in turn help to reduce the cost of production of the goods and will make our products more competitive.

**B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:**

**(i) Efforts made towards technology absorption, adaption and innovation:**

Sustained efforts are made to reduce the consumption of raw material by using versatile designing and multiple layout of dies.

**(ii) Benefits derived as a result of the above:**

- (a) Improved competitive position through significantly improved products for new markets.
- (b) Improved competency in designing process & products for customers.
- (c) Upgradation of technical skill of employees for higher productivity & more consistent quality.

**(iii) No technology was imported in the last three years**

**(a) Expenditure incurred on Research and Development:**

The Company has been continuously putting effort to develop new products for other segments. The Company is doing many research activities in the areas of component weight reduction, process design, process improvement etc

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchange Earning	(FOB ) Rs 4065.13 Lacs
Foreign Exchange Outgo	For Expenses Rs. 668.31 Lacs
	For Purchases Rs 257.43 Lacs

For and on behalf of the Board of Directors

Sd/-  
Yuvraj Malhotra  
Chairman & Managing Director  
DIN: 00225156

Place: Mumbai  
Dated: 31st August, 2020

**ANNEXURE-V**

**Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year (In Rs.)

Sr. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2019-20	% increase in Remuneration in the financial year 2019-20	Ratio of the remuneration of each director to the median remuneration of the employees
1	Mr. Yuvraj Hiralal Malhotra (Managing Director)	45,00,000	0	15.00%
2	Mr. Navraj Hiralal Malhotra (Whole Time Director)	24,00,000/-	0	8.00%
3	Mrs. Diksha Yuvraj Malhotra (Director)#	17,50,000	0	5.83%
4	Mr. Harmohindar Singh Dhingra (Independent Director)%	10000 (Sitting Fees)	0	
5	Mr. Rajiv Sushil Verma^ (Independent Director)	0		
6	Mr. Sanjay Suresh Jain (Independent Director)	0		
7	Mr. Sukesh Kumar Joshi (Independent Director)	40000 (Sitting Fees)	0	
8	Mr. Sandeep Shah (Independent Director)\$	50000 (Sitting Fees)	0	
9	Mr. Prithivesh Mundra@ (Independent Director)	40000 (Sitting Fees)	0	
10	Ms. Nikita Moradia (Independent Director)+	30000 (Sitting Fees)	0	
11	Mr. Saurabh Johri (Chief Executive Officer)>	24,00,000	0	
12	Ms. Labdhi Shah* (Company Secretary)	265000	0	
13	Ms. Yashika Yuvraj Malhotra (Chief Financial Officer)=	1000000	0	

^None of the Independent Directors are in receipt of remuneration.

# Mrs. Diksha Malhotra Executive Director has tendered her resignation w.e.f. 11th November, 2019

% Mr. Harmohindar Singh Dhingra, Independent Director has tendered his resignation w.e.f. 16th May, 2019

^ Mr. Rajiv Verma, Independent Director has tendered his resignation w.e.f. 11th November, 2019

\$ Mr. Sandeep Shah appointed as Independent Director w.e.f 15th May, 2019

@ Mr. Prithivesh Mundra appointed as Independent Director w.e.f 5th August, 2019

+ Mrs Nikita Moradia appointed as Independent Director w.e.f 6th August, 2019

> Mr. Saurabh Johri Chief Executive Officer, has tendered his resignation w.e.f 10th April, 2020

\*Ms. Labdhi Shah, Company Secretary has tenderd her resignation w.e.f. 1st December, 2019

= Mrs Yashika Yuvraj Malhotra, Chief Financial Officer has tenderd her resignation w.e.f. 12th February, 2020

- ii) The percentage increase in the median remuneration of employees in the financial year;

The % increase in median remuneration of employee is Nil. No upward revision

**iii) The number of permanent employees on the rolls of company**

78 employees as on the rolls of Company as on 31st March, 2020

vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentile increase in the salaries of employees other than the managerial personnel in F.Y. 2019-20	Average percentile increase in managerial remuneration in F.Y. 2019-20	Justification
Nil	Nil-	

xi) Affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by success and performance of the individual employees and the company. Remuneration paid during the year ended March 31, 2020 is as per Remuneration policy of the Company.

**For and on behalf of the Board of Directors**

**Sd/-  
Yuvraj Malhotra  
Chairman & Managing Director  
DIN:00225156**

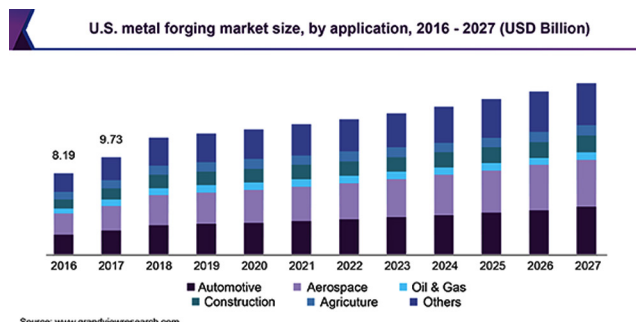
Place: Mumbai  
Dated: 31st August, 2020

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

**Industry structure and developments**

The global metal forging market size was valued at USD 83.9 billion in 2019 and is expected to witness a CAGR of 7.6% from 2020 to 2027. The rising passenger traffic is propelling the worldwide production of aircraft, which is anticipated to be one of the key factors driving the demand for metal forging.

The growing passenger traffic from highly populated countries such as China and India are compelling airlines to increase their number of flights. For instance, India is projected to be the third-largest aviation market with around 478 million passengers by 2036 and the country would need around 2,400 aircraft by 2036 considering its growing travel demands. Therefore, the development of the aerospace sector would lead to a subsequent rise in demand for metal forging.



Strict regulations pertaining to the use of high-performance lightweight components in the aerospace and automotive industries drive the demand for metal forging, particularly for aluminum and titanium materials. For instance, the density of aluminum is merely 34.0% of steel and 30.0% of copper forging, which compels manufacturers to switch to aluminum forged products for their vehicle components.

The automotive industry is a major end user for metal forging. The durability, strength, and reliability of forged components have made them a preferred choice in the automotive sector for applications where stress, load, tension, and human safety are key considerations. Therefore, the growth in automotive production such as electric vehicles is anticipated to drive the demand for metal forging over the forecast period.

On the other hand, alternative component manufacturing processes, particularly casting, is expected to hinder the demand for metal forging. Factors such as advancements in technology and low cost characteristics drive manufacturers to opt for casting as a preferable method over forging for producing components such as transmission parts and crankshafts.

Forging is traditionally considered as the back bone of manufacturing industry. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering.

The Indian forging industry is well recognised globally for its technical capabilities. With an installed capacity of around 38.5 lakh MT, Indian forging industry has a capability to forge variety of raw materials like Carbon steel, alloy steel, stainless steel, super alloy, titanium, aluminium and so forth, as per the requirements of user industry.

Over the years, the Indian forging industry has evolved from being a labour-intensive industry to capital-intensive manufacturing sector. The current investment in the plant and machinery by Indian forging companies is worth of INR 27,833 Crore.

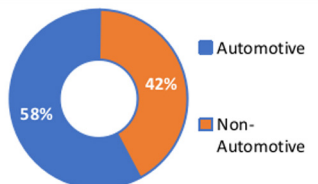
Based on their installed capacity, the forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). Based on this classification it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units.

The forging industry of India provides direct employment to about 95,000 people. The small and very small units are mainly dependant on manual labour, however medium and large units are more mechanized. Quality standards in the industry have improved significantly and the sector is now well known globally for its high quality.

Current share of auto sector is about 58% of total forging production while the rest is with the non-auto sector. Changes in Indian automobile industry directly impact Indian forging industry, because the forging components form the backbone of the Indian automobile industry.

Since the automobile industry is the main customer for forgings the industry’s continuous efforts in upgrading technologies and diversifying product range has enabled it to expand its base of customers to foreign markets.

The Indian forgings industry has made rapid strides and currently, not only meets almost all the domestic demand, but has also emerged as a large exporter of forgings.



The industry is increasingly addressing opportunities arising out of the growing trend among global automotive OEM's (Original Equipment Manufacturers) to outsource components from manufacturers in low-cost countries. As a result, the industry has been making significant contributions to country's growing exports.

In order to reduce the impact of cyclicity and dependence on auto sector, the industry plans to diversify into non-automotive sectors.

**Impact of COVID-19 pandemic**

Work activity is stopped, but in “the new normal” research and development, and analysis, continues — even if much of that analysis is focused on getting back to something like the old normal.

“COVID-19 is a clear point of demarcation in the (manufacturing) industry, accelerating the transition from traditional supply chains and manufacturing to a digitally enabled future Among these manufacturers, Fictiv’s research showed 89% of manufacturing businesses were directly impacted by the COVID-19 pandemic, including lower sales, increased costs of materials and production, and canceled or delayed product launches. Among the unexpected problems resulting from the shutdowns, 41% of manufacturers noted costs of materials and components increased and another 41% reported production lead-times have lengthened.

Manufacturers’ strategic planning also felt the effect, again with 41% revealing that new-product launches have been delayed or cancelled; 36% have had to lay off “good employees”; and 29% have had difficulty securing financing; while 27% have reduced their budgets for R&D and product or service innovation.

Also among Fictiv’s respondents, 24% of manufacturers were unable to fill their customers’ orders. The “supply chain” disruption will be felt keenly by forging producers, whose high-volume orders are components and systems destined for automakers and their Tier suppliers, aircraft manufacturers, and builders of heavy equipment; and whose lower-volume programs supply critical infrastructure projects, like oil drilling and power-generation projects.

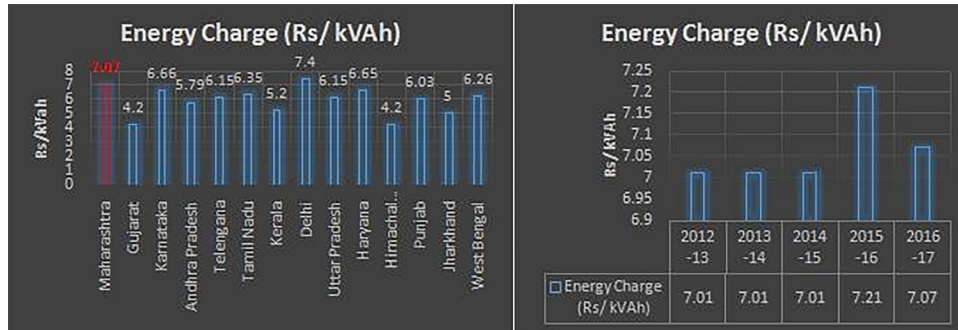
AIFI (Association of Indian Forging Industries.) says despite the industry witnessing growth in the recent past, there are few concerns which seems to hamper the overall growth in the long run including the rising steel prices and demand supply gap, high electricity tariff rates in Maharashtra region, rising fuel prices, government’s thrust on electric vehicles and technology upgradation and modernisation.

Steel prices and demand supply gap: The forging industry in India has been showing a growth trend since last one year. However, there seems to be a huge demand supply gap, which exists, which is not being met by the steel manufacturers in India. Some of the reasons that can be attributed to the demand supply gap include -major players reeling under high debts, lower coal production by Coal India, as compared to the demand and gap in the quality standards to meet the higher level of demand in the automobile and significant rise in prices of graphite electrodes, an immensely vital raw material for steel manufacturers.

Forging industry says it is also concerned over the continuous rise of steel prices in India and is living under constant fear that if this trend continues, then it will defeat the ‘Make in India’ project and China will get a competitive edge in the world steel market, which as of now is the biggest steel exporter. The steel prices have inflated by around 25.5 percent in the last one year. The price of steel has gone up to Rs 47,740 per tonne, compared to Rs 38,000 per tonne in November 2017. Even though the global steel prices also witnessed immense the quantum influences was not as high.

High electricity tariff rates in Maharashtra: On one hand manufacturing industries across India are extensively promoting the government’s Make in India initiative and on the other hand the manufacturing industries in Maharashtra are grappling with serious concerns related to high electricity tariff rates. According to the figures released by Maha discom last year, the state has lost about 500 consumers, which includes some the big names. Though, last year, the Maharashtra government reduced the

power tariff for industries however, it has still not made the state a competitive destination as compared to neighbouring states like Gujarat, Karnataka, Andhra Pradesh and others which offer electricity at cheaper rates.



State-wise comparison chart highlighting power tariff rates and power tariff rates in Maharashtra in the last five years

**Modernisation:** Compared to the European, Japanese and American counterparts and companies from China, Korea and Taiwan the technology and automation levels is much lower (barring a few bigger forging companies) in India. According to a recent survey of the Indian forging industry, about 70 percent of the forging units in India are MSMEs who need to upgrade their technologies. For this, the industry needs huge government support in terms of further interred subvention and technology upgradation fund.

**Electric vehicles:** Another key issue concerning the future of the industry is the government’s renewed focus on electric vehicles and a move to eliminate petrol/diesel cars by 2030. It says the situation seems to be fluid and will require the government to draw a clear road map for the same. The introduction of EVs will have an adverse impact on Indian forging industry as around 60 percent of the forging units are into manufacturing of auto components and a majority for engine and transmission related application.

AIFI suggests that the need of the hour is for a aggressive and assertive political action that will provide a level playing field to Indian manufacturers to become competitive in the global platform and other relevant policy reforms to foster ease of doing business.

India is the 3rd largest manufactures of forgings in the world, after China and the European nations (led by Germany).The forging industry is one of the major contributor to the Indian manufacturing industry. According to a recent survey conducted by the forging association, the installed capacity has increased from 38.5 lakh MT in 2016-17 to 39.4 lakh MT in 2017-18 with overall production of forgings increased from 23.98 lakh MT to 25.24 lakh MT.

**Outlook**

Recently an industry survey that is jointly conducted by industry body FICCI and tax consultancy Dhruva advisors and took responses from about 380 companies across the sectors. It is said that businesses are grappling with “tremendous uncertainty” about their future.

According to the survey, COVID-19 is having a ‘deep impact’ on Indian businesses, over the coming month’s jobs are at high risk because firms are looking for some reduction in manpower. Further, it is added that already COVID-19 crisis has caused an unprecedented collapse in economic activities over the last few weeks.

The present situation is having a “high to very high” level impact on their business according to almost 72 per cent respondents. Further, 70 per cent of the surveyed firms are expecting a degrowth sales in the fiscal year 2020-21.

FICCI said in a statement, “The survey clearly highlights that unless a substantive economic package is announced by the government immediately, we could see a permanent impairment of a large section of the industry, which may lose the opportunity to come back to life again.”

The survey found:

- In respect to the approved expansion plans, around 61 per cent of the respondents expect to postpone such expansions for a period of up to 6 or 12 months, while 33 per cent expect it to for more than 12 months.
- Surveyed firms of around 60 per cent have postponed their fund-raising plans for the next 6-12 months. Also, nearly 25 per cent of the firms have decided the same.



- Surveyed firms around 43 per cent have reported that they do not predict an impact on exports. Further, 34 per cent said that exports would take a hit by more than 10 per cent.

According to Dun & Bradstreet, COVID-19 no doubt disrupted human lives and global supply chain but the pandemic is a severe demand shock which has offset the green shoots of recovery of the Indian economy that was visible towards the end of 2019 and early 2020. The revised Gross Domestic Product (GDP) estimates for India downwards by 0.2 percentage points for the fiscal year 2020 to 4.8 per cent and by 0.5 per cent for the fiscal year 2021 to 6 per cent. Further, it is stated that the extent of the actual impact will depend upon the severity and duration of the outbreak.

There are three major channels of impact for Indian businesses according to the report namely linkages, supply chain and macroeconomic factors. The data of the Dun & Bradstreet shows that at least 6,606 Indian entities have legal linkages with companies in countries with a large number of confirmed COVID-19 cases. And business activity in the foreign markets is slow which implies a negative impact on the topline of these companies. Sectors that would be much affected includes logistics, auto, tourism, metals, drugs, pharmaceuticals, electronic goods, MSMEs and retail among others

**Company overview:**

Due to COVID 19, its impact and subsequent persistent lockdown, the HMFL were forced to closedown its plant and operations from 20th March onwards and almost 1st quarter of fiscal 2020-21

However during operational period HMFL has taken measures to:

Tooling--Increase die life by at least 2 times that of current levels. Reduce per-part die system costs by at least 50%. Produce tooling within 24 hours from time of order.

Energy--Reduce the total forging process energy input by 20% while cutting the per-piece energy cost by some amount.

Material utilization--Achieve a minimum overall reduction in raw material consumption of 10 to15%. Reduce the scrap rate (increase material utilization).

Productivity--Improve per-employee productivity by 20%. Reduce per-piece labor costs by 30%. Achieve average forging facility up-times at maximum.

Quality--Reduce rejected or returned work to less than 25 parts per million. Achieve ±8 sigma process control.

Environment--Generate no harmful gas combustion products; completely eliminate aerosol emissions within forging plants; and recycle all fluids necessary to forging operations.

**Segment-wise performance:**

The company's business activity falls within a single operating segment, namely manufacturing of steel forgings and flanges and forged fittings for Oil and Gas Industry, Petrochemicals and Refinery Industry, hence it is treated as only one segment

**Internal Control Systems and their adequacy:**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board for their perusal.

**Financial Performance with respect to operational performance**

(Rs. In Lakhs)

Particulars	Year Ended March 2020	Year Ended March 2019
Total revenue	10321.36	10133.36
Less: Operating Expenses & Provision	9551.10	9392.68
Profit before Interest, Depreciation & Taxes	770.26	740.68
Less: Depreciation	258.82	256.51
Less: Interest & finance Charges	340.66	335.89



Profit before Tax	170.77	148.28
Less: Provision for Taxation	15.78	-6.77
Profit After Tax	154.99	155.05
Other Comprehensive Income	0.13	0.13
Total Comprehensive Income for the Year	0.13	0.13
Balance Brought forward	954.75	799.59
Balance Available for Appropriation	1109.74	954.75
Surplus retained in Profit & Loss account	1109.74	954.75

During the year under review, the total revenue of the company was Rs 10321.56 Lacs as compared to Rs. 10133.36 Lacs during the previous year, the PAT was Rs. 154.99 as compared to last year of Rs.155.05 Lacs.

**Significant changes in key financial ratios:**

<b>Ratios</b>	<b>For FY 2019-20</b>	<b>For FY 2018-19</b>
Debtors Turnover	1 : 0.37	1: 0.22
Inventory Turnover	1: 1.83	1: 1.85
Interest Coverage Ratio	1.50	1.44
Current Ratio	1.61	1.71
Debt Equity Ratio	71.04	68.47
Operating Profit Margin (%)	7.36	7.48
Net Profit Margin (%)	1.66	1.47
Return on Net worth (%)	2.47	2.53

There is no significant change in any of the ratios as well in net worth of the company as compared to immediate previous year.

**Human Resource Management and Industrial Relations:**

The Company believes that human resource is the most important assets of the organization. During the year under review, your company continued its efforts to improve HR related processes, practices and system to align these to the organizational objectives. Over the years, Company has maintained consistency in its efforts in training and developing its human resources with a view to face competition.

There was satisfactory co-operation between the management and the workers in working towards the overall objectives of the company.

**Women Centric Initiatives:**

The Company is committed to provide healthy environment to all employees of HFML and does not tolerate any discrimination and/or harassment in any form. The Company has in place a stringent policy in place, to address issues pertaining to female employees and to provide a safe environment for them.

**Cautionary Statements:**

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities, laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

**For and on behalf of the Board of Directors**

**Yuvraj Malhotra**  
**Chairman & Managing Director**  
**DIN: 00225156**

Place: Mumbai  
Dated: 31st August 2020

## REPORT ON CORPORATE GOVERNANCE

### 1) COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') have strengthened the framework of Corporate Governance for India Inc.

At Hilton Metal Forging Limited, it has been a constant endeavor to follow the principles of transparency, accountability, ethical business conduct and integrity in functioning to achieve excellence in Corporate Governance, which leads to enhance the value of all stakeholders. The Company has formulated, to ensure the high ethical and moral standards, code of business ethics and code on prohibition of insider trading. The company conducts its activities in a manner that is fair and transparent and perceived to be such by others and has always complied with the code of Corporate Governance.

### 2) BOARD OF DIRECTORS:

#### 2.1 Composition and categories of Directors:

The Company has broad based Board of Directors, constituted in compliance with the Act and SEBI (Listing Regulations) and in accordance with highest standards of Corporate Governance in its management, which ensures judicious mix of Directors that includes the Executive, Non-Executive and Independent Directors.

Details of the Composition of the Board of Directors is stated below:

Sr. No	Name	Designation/ Category of Directors	% to total number of Directors
1	Mr. Yuvraj Malhotra	Chairman & Managing Director (Promoter)	28.57
2	Mr. Navraj Malhotra	Whole Time Director (Promoter)	
3	Mr. Sanjay Jain	Independent, Non-Executive Director	71.43
4	Mr. Sukesh Kumar Joshi	Independent, Non-Executive Director	
5	Mr. Sandeep Ravindra Shah	Independent, Non-Executive Director	
6	Mr. Prithivish Sushil Mundra	Independent, Non-Executive Director	
7	Ms. Nikita Natwarlal Moardia	Independent, Non-Executive Director	

#### 2.2 Board Meetings, Attendance and other details:

During the financial year under review, Six Board Meetings were held at Mumbai on 16th May 2019, 26th July, 2019, 11th August 2019, 11th November, 2019, 2nd January, 2020, 12th February, 2020. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Act.

The name and category of the Directors on the Board, their attendance at the Board Meetings held during the FY 19-20 and at the last Annual General Meeting held on 28th September, 2019 and the number of directorships, Committee Memberships/Chairmanships held by them in other Indian Public Companies and their shareholding as on March 31, 2020 in the Company are given herein below: -

Name of Directors	DIN	Designation/ Category of Directors	Attendance Particulars			Committee position held in Indian Public Companies including the Company		No. of Equity Shares held
			No. of Board Meetings attended /held	A.G.M. held on 28th Sep- tember, 2019	No. of Direc- torship in Listed Entity including the Com- pany	Chairman	Member	
Mr. Yuvraj Malhotra	00225156	Managing Director & Chairman	6/6	Yes	1	1	2	5688959
Mr. Navraj Malhotra	00225183	Whole Time Director	6/6	Yes	1	-	-	149653
Mr. Harmohindar Singh Dhingra	00037089	Independent Non-Executive Director	1/6	NA	1	-	-	1250
Mr. Sanjay Jain	00152758	Independent Non-Executive Director	6/6	Yes	1	-	-	-
Mr. Sukesh Kumar Joshi	08153689	Independent Non-Executive Director	5/6	Yes	1	1	1	200
Mr. Rajiv Sushil Verma	07486560	Independent Non-Executive Director	0/6	No	1	-	-	-
Mrs. Diksha Yuvraj Malhotra	01393249	Executive Director	4/6	Yes	1	-	-	403885
Mr. Prithivish Mundra	08529151	Independent Non-Executive Director	4/6	Yes	1	1	1	-
Mrs. Nikita Moradia	08530305	Independent Non-Executive Director	4/6	Yes	1	-	1	-
Mr. Sandeep Ravindra Shah	06402659	Independent Non-Executive Director	6/6	Yes	2	-	1	-

**Notes:**

1. Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.
2. In accordance with Regulation 26(1)(b) of SEBI (Listing Regulation), Membership/ Chairpersonship of only the Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies have been considered. The number of directorships, committee membership(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and Listing Regulations.
3. Mr. Yuvraj Malhotra, Mr. Navraj Malhotra and Mrs. Diksha Yuvraj Malhotra, are related to each other in terms of Section 2 (77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014. No other directors are related inter-se.
4. The Company has not issued or allotted any convertible instruments during FY 2019-20.
5. During the year under review, Mr. Harmohinder Singh Dhingra resigned from the Board of Directors of the Company w.e.f. 16th May, 2019 and Mr. Rajiv Verma and Mrs. Diksha Malhotra resigned w.e.f. 11th November, 2019.

**Directorships in Listed Entities as on 31st March 2020:**

Sr No.	Name of Director	Name of Listed Entity	Category of Directorship
1	Sandeep Shah	Karda Constructions Limited	Independent Director

**2.3 Independent Directors**

The Board of Directors confirm that in its opinion, the Independent Directors fulfill the terms and conditions specified in

the Act and Listing Regulations in respect of their independence of the Management.

As stipulated by the Code of Independent Directors pursuant to Companies Act, 2013 and the SEBI (Listing Regulations), a separate meeting of the Independent Directors of the Company was held on 12th February 2020 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

During the year under review, Mr. Harmohinder Singh Dhingra and Mr. Rajiv Verma resigned w.e.f. 16th May, 2019 and 11th November, 2019 respectively. As represented and confirmed by them in their respective resignation letters, the resignation was tendered due to pre-occupation which disabled them to continue on the Board of Directors of the Company and not due to any other material reasons other than those provided.

#### **2.4 Director's Familiarization programme:**

The Familiarization programme enable the Independent Directors to understand the Company's business and operations in depth and to familiarize them with the process and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The details of familiarization programme of the independent Directors are available on the website of the Company: <http://www.hiltonmetal.com/corporate-governance/>

#### **2.4 Matrix highlighting core skills/expertise/competencies of the Board of Directors:**

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

<b>Sr. No</b>	<b>Area of Expertise</b>	<b>Description</b>	<b>Name of Directors who possess such skills/ expertise/ competence</b>
1	Business & Industry	Domain Knowledge in Business and understanding of business environment, optimising the development in the industry for improving Company's business	(i) Mr. Yuvraj Malhotra (ii) Mr. Navraj Malhotra (iii) Mr. Sanjay Jain (iv) Mr. Sukesh Joshi
2	Financial	Comprehensive understanding of financial accounting, capital allocation, resource utilization reporting and controls and analysis	(i) Mr. Prithivish Mundra (ii) Ms. Nikita Moradia
3	Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation	(i) Mr. Yuvraj Malhotra (ii) Mr. Sukesh Joshi
4	Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining Board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values	(i) Mr. Yuvraj Malhotra (ii) Mr. Sandeep Shah

### **3) COMMITTEES OF THE BOARD:**

The Committees of the Board are constituted as per the Act and Listing Regulations.

#### **3.1 Audit Committee:**

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act and rules framed thereunder. All the members possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

##### **3.1.1 Brief description of Terms of reference**

The terms of reference of Audit Committee broadly includes-

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
- d. Any changes in accounting policies and practices.
- e. Major accounting entries based on exercise of judgment by management.
- f. Qualifications in draft audit report, if any.
- g. The going concern assumption.
- h. Compliance with accounting standards.
- i. Compliance with Stock Exchange and legal requirements concerning financial statements.
- j. Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- k. Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- l. Reviewing the findings of any internal investigations in the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- m. Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- n. Reviewing the Company's financial and risk management policies.
- o. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividends) and creditors.
- p. To approve the appointment of the Internal auditor after assessing the qualifications, experience, background, etc. of the candidate.

### 3.1.2 Composition and Attendance at the Meeting

The Audit Committee met 4 times during the year on 16th May 2019, 11th August 2019, 11th November, 2019 and 12th February, 2020. The previous AGM of the Company was held on 28th September, 2019 and was attended by the Chairman of the Audit Committee.

The details on composition, names of the members, category of Directors and attendance by the members in the meetings held during the FY 19-20 are as follows: -

Sr. No.	Names of Members	Designation	Category of Director	No. of Meetings Attended
1	Mr. Prithivish Mundra*	Chairman	Independent Non-executive	3/4
2	Mr. Sanjay Jain	Member	Independent Non-executive	4/4
3	Mr. Yuvraj Malhotra	Member	Executive	4/4
4	Ms. Nikita Moradia**	Member	Independent Non-executive	1/4

\* Mr. Harmohinder Singh resigned as Audit Committee Chairman w.e.f. 16th May, 2019 and Mr. Prithivish Mundra is appointed as Chairman w.e.f. 11th August, 2019

\*\* Ms. Nikita Moradia is appointed as Audit Committee Member w.e.f. 11th November, 2019

#### Internal Audit:

M/s. P Danyach & Associates, Internal Auditors of the Company have carried out the Internal Audit for FY 2019-20. The reports and findings of the Internal Auditor are quarterly reviewed by the Audit Committee.

### 3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Act.

#### 3.2.1 Brief description on Terms of reference

The terms of reference of Nomination and Remuneration Committee broadly includes:

- a) To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors from the year to year.
- b) To help in determining the appropriate size, diversity and composition of the Board;
- c) To recommend to the Board appointment/reappointment and removal of Directors/KMPs;

- d) To frame criteria for determining qualifications, positive attributes and independence of Directors.
- e) To create an evaluation framework for Non-executive & Independent Directors and the Executive Board;
- f) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

### 3.2.3 Composition and Attendance at the Meeting

The Committee met 1 time during the year on 26th July, 2019. The previous AGM of the Company was held on 28th September, 2019 and was attended by the Chairman of the Nomination and Remuneration Committee. The details on composition, names of the members, category of Directors and attendance by the members in the meeting held during the FY 19-20 are as follows: -

Sr. No	Names of Members	Designation	Category of Director	No. of Meeting Attended
1	Mr. Sukesh Kumar Joshi*	Chairman	Independent Non-executive	1/1
2	Mr. Sanjay Jain	Member	Independent Non-executive	1/1
3	Mr. Sandeep Shah**	Member	Independent Non-executive	1/1

\*Mr. Harmohinder Singh resigned as Nomination and Remuneration Committee Chairman w.e.f. 16th May, 2019 and Mr. Sukesh Joshi is appointed as Chairman w.e.f. 26th July, 2019

\*\*Mr. Sandeep Shah is appointed as Member w.e.f. 15th May, 2019

### 3.2.4 Remuneration Policy

The Remuneration Policy formulated in accordance with the Companies Act, 2013 and SEBI Listing Regulations and as recommended by Nomination and Remuneration Committee has been accepted by the Board of Directors and the same has been annexed to the report of the Directors and is also available on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com)

### 3.2.5 Performance evaluation criteria for independent directors

Pursuant to the provisions of the Act and the Listing Regulations, the Committee has laid down the manner in which formal annual evaluation of the performance of the Directors including independent Directors and its Committees has to be made.

A separate meeting of Independent Directors was also held to review:

- Performance of the Non-Independent Directors and the Board as a whole.
- Performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

The criteria for performance evaluation of the Board and its Committees include aspects like structure, composition, effectiveness of processes & meetings and other measures. The criteria for performance evaluation of the individual Directors include aspects like professional conduct, competency, contribution to the Board and Committee Meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities

### 3.2.6 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2020 are as follows:

Directors	Relationship with the other Directors	Remuneration (Rs.)	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Yuvraj Malhotra	Relative of Mr. Navraj Malhotra and Mrs. Diksha Malhotra	45,00,000	-	-	45,00,000
Mr. Navraj Malhotra	Relative of Mr. Yuvraj Malhotra and Mrs. Diksha Malhotra	24,00,000	-	-	24,00,000
Mrs. Diksha Malhotra	Relative of Mr. Yuvraj Malhotra and Mr. Navraj Malhotra	17,50,000	-	-	17,50,000
Mr. Sukesh Kumar Joshi	None	-	40,000	-	40,000

Mr. Rajiv Sushil Verma	None	-	-	-	-
Mr. Harmohinder Singh Dhingra	None	-	10,000	-	10,000
Mr. Sanjay Jain	None	-	-	-	-
Mr. Sandeep Shah	None	-	50,000	-	50,000
Mr. Prithivish Mundra	None	-	40,000	-	40,000
Ms. Nikita Moradia	None	-	30,000	-	30,000

**Notes:**

- Sitting fees include payment of fees for attending Board/Committee Meetings
- The remuneration payments in the Company are made with an aim of rewarding performance, based on review of achievements. The remuneration levels are in consonance with the existing industry practices.
- No provision of performance-linked variable pay for the FY 2019-20 is available to Managing Director, the Executive Director and the Whole-time Director. There are no provisions for notice period and payment of severance fees. The Company has not granted any stock option to any of its Directors.
- Payments to Non-Executive Directors are decided, based on multiple criteria of seniority/experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board/Committees, other relevant factors and performance of the Company. There are no pecuniary relationship or transactions between the Company and its Non-Executive/Independent Directors for the financial year under review.

**3.3 Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulations 20 of Listing Regulations read with Section 178 of the Companies Act.

**3.3.1 Brief description on Terms of reference**

The terms of reference of Stakeholders' Relationship Committee broadly includes:

- Redress Shareholders and Investors complaints.
- Review all matters connected with the share transfers.
- Review status of legal cases involving the investors where the Company has been made a party.

The Company's Registrar & Share Transfer Agents, M/s Sharex Dynamic (India) Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

**3.3.2 Composition of the Committee**

The Committee met 1 time during the year on 12th February, 2020. The previous AGM of the Company was held on 28th September, 2019 and was attended by the Chairman of the Stakeholders' Relationship Committee. The details on composition, names of the members, category of Directors and attendance by the members in the meeting during the FY 19-20 are as follows:

Sr. No.	Names of Members	Designation	Category	No. of Meeting Attended
1.	Mr. Sukesh Kumar Joshi	Chairman	Non-Executive, Independent	0/1
2.	Mr. Yuvraj Malhotra	Member	Executive, Non-Independent	1/1
3.	Mr. Sandeep Shah*	Member	Non-Executive, Independent	1/1

\* Mr. Harmohinder Singh resigned as Nomination and Remuneration Committee Member w.e.f. 16th May, 2019 and Mr. Sandeep Shah is appointed as Member w.e.f. 15th May 2019

**3.3.3 Details in respect of Compliance Officer:**

Ms. Labdhi Shah Company Secretary, who was acting as Compliance Officer of the Company has tendered her resignation w.e.f. 1st December, 2019. The Company has appointed Ms. Richa Shah as Company Secretary and Compliance Officer w.e.f. 17th August, 2020.



**3.3.4 Details of Investors Complaints received during F.Y. 2019-2020 are as follows:**

Sr. No.	Nature of Complaints	Whether Received	No. of Complaints Redressed	Pending Complaints as on 31st March, 2020
1.	Non-Receipt of Shares lodged for transfer/transmission	-	-	-
2.	Non- Receipt of Duplicate Share certificate	-	-	-
3.	Non- Receipt of Annual Report	-	-	-

**4) GENERAL BODY MEETINGS:**
**4.1 Annual General Meeting**

The details of Annual General Meetings held in last 3 years along with the location and time of the AGMs is as below:

AGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
14th	28.09.2019	4.00 PM	The Club Whispering Palm, Lokhandwala Township, Kandivali East, Mumbai-400 101.	1. Ratification of remuneration payable to Cost Auditor for the financial year 2019-2020. 2. Appointment of Mr. Sandeep Ravindra Shah as an Independent Director of the Company. 3. Appointment of Mr. Prithivish Sushil Mundra as an Independent Director of the Company 4. Appointment of Ms. Nikita Moradia as an Independent Director of the Company 5. Re-Appointment of Mr. Sanjay Jain (DIN 00152758) as an Independent Director
13th	28.09.2018		The Club Whispering Palm, Lokhandwala Township, Kandivali East, Mumbai-400 101.	1. Appointment of M/s Anil Bansal & Associates, Chartered Accountants as Statutory Auditors of the Company for filling casual vacancy caused by the resignation of M/s R Jaitlia & Co. Chartered Accountants, Chartered Accountants. 2. Appointment of M/s Anil Bansal & Associates, Chartered Accountants as the Statutory Auditors of the Company for a term of up to five years and fixing their remuneration. 3. Regularisation of Additional Director, Mr. Sukesh Kumar Joshi, by appointing him as Independent Director of the Company 4. Remuneration of Cost Auditor for the financial year ending 31st March 2019 5. Reappointment of Mrs. Diksha Yuvraj Malhotra.
12th	28.09.2017		701, Palm Spring, Link Road Malad West, Mumbai-400064	1. Fixation of remuneration of cost auditor for Financial Year 2018. 2. To appoint R. Jaitlia & Co, Statutory Auditor in place of retiring auditors R K Chaudhary & Associates, Chartered Accountants till 16th Annual General Meeting. 3. To adopt new set of articles of association

**4.2 Extraordinary General Meeting**

No Extraordinary General Meeting was held during the financial years 2016-17 & 2018-2019. However in the financial year 2017-2018, one Extra Ordinary General Meeting was held. The details the Extra Ordinary General Meeting along with the location and time of the EGM is as below:

EGM	DATE	TIME	VENUE	DETAILS OF SPECIAL RESOLUTIONS PASSED
1st EGM of 2018-2019	16.11.2018	10:00 a.m.	204, Tanishka Commercial Building, Akurli Road, Kandivali (East), Mumbai- 400101	1. To create, issue, offer and allot on preferential basis upto 2,00,000 (Two Lakh) 6% Optionally Convertible Debenture (OCD") to Balu Forge Private Limited 2. to create issue and allot such number of Equity shares towards interest liabilities on OCD of INR 20,00,00,000/-

**4.3 Postal Ballot**

During the year, no resolutions have been passed through postal ballot.

**4.4. Whether any special resolution is proposed to be conducted through postal ballot:**

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

**5) MEANS OF COMMUNICATION:**

The Annual, Half Yearly and Quarterly Results were submitted to the Stock Exchange and published in Newspapers in accordance with the SEBI (Listing Regulations). The Company's Un-audited Quarterly Results for quarter ended June 2019, September 2019, December 2019 and March 2020 and Audited Financial Statements for the year ended 31st March 2020 were published in the Free Press Journal, Mumbai (English Daily) and Navshakti (Vernacular Daily). These results are simultaneously displayed on the website of the Company <http://www.hiltonmetal.com/> and uploaded on the website of National Stock Exchange of India Ltd. and BSE Ltd.

**6) GENERAL SHAREHOLDER INFORMATION**

**6.1 Company Registration Details: CIN: L28900MH2005PLC154986**

**6.2 Annual General Meeting**

Wednesday, 30th September, 2020 at 4:00 P.M IST through Video Conference ("VC")/Other Audio Visual Means ("OAVM")

**6.3 Financial Year**

The Company follows the period of 1st April to 31st March, as the Financial Year

**6.4 Tentative Schedule for declaration of results during the financial year 2020-2021**

First quarter:	June 30, 2020- on or before September 15, 2020
Second quarter/Half Yearly	September 30, 2020 - on or before November 14, 2020
Third quarter/Nine months	December 31, 2020 - on or before February 14, 2021
Fourth quarter/Annual	on or before May 30, 2021

**6.5 Book Closure date**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday 24th September, 2020 to Wednesday 30th September, 2020 [Both days inclusive]

**6.6 Dividend Payment**

No dividend is to be declared for the financial year ended 31st March 2020.

**6.7 Unclaimed Shares/Dividend**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with circulars and notifications issued thereunder, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the Financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the abovementioned Fund.

During the financial year under review, the Company has credited Rs. 41,730/- to Investor Education and Protection Fund towards Unclaimed Dividend. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

In accordance with the aforesaid provisions, the Company has transferred 1,65,955 equity shares held by 8057 shareholders as on 31 March 2012 whose dividends were remaining unpaid/unclaimed for 7 consecutive years i.e., from FY 2011-12 to IEPF

The details of unpaid/unclaimed dividend for the year 2012-13 onwards are as under:

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (In Rs.)	Due Date for transfer to IEPF Account
1	2012-13	30-09-2013	59,204	06-11-2020
2	2013-14	27-09-2014	46,134	03-11-2021
3	2014-15	30-09-2015	68,632	06-11-2022
4	2015-16	-	No dividend declared	-
5	2016-17	-	No dividend declared	-
6	2017-18	-	No dividend declared	-
7	2018-19	-	No dividend declared	-

## 6.8 Listing on Stock Exchanges

### Equity Shares

Name of the Stock Exchange	Security code/ Symbol	ISIN	Payment of Annual Listing fees for the FY 19-20 (Y/N)
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	532847	INE788H01017	Y
The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	HILTON		Y

### B. Debentures/GDRs/ Warrants

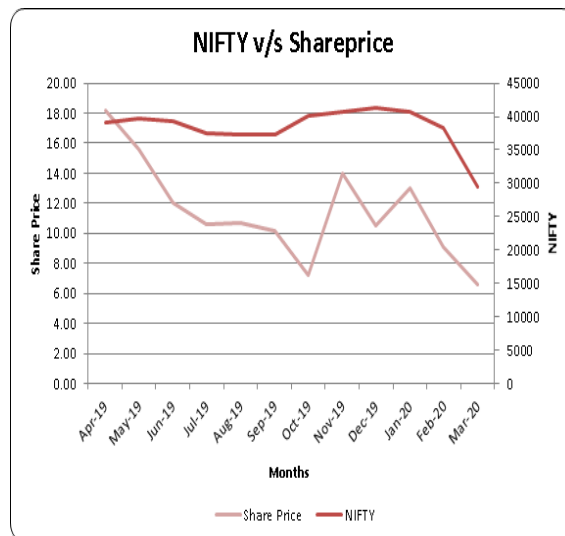
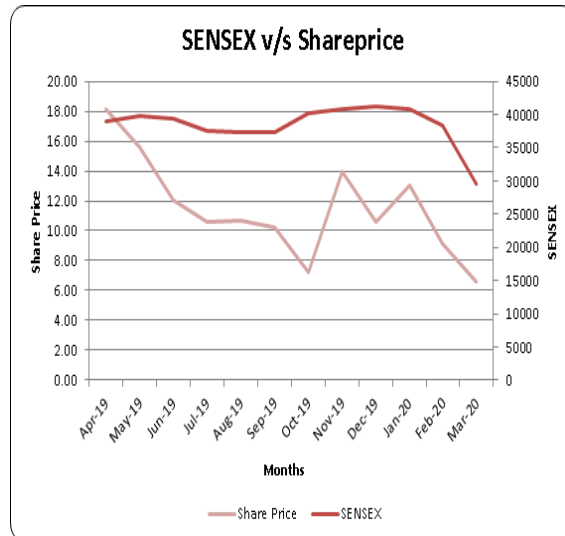
The Company has not issued GDRs / ADRs / Warrants.

## 6.9 Market Price data-High/Low during each month of FY 19-20

Market Price Data Month	Share prices of the Company for the Period April, 2019 to March, 2020			
	BSE Ltd		The National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-19	20.80	16.45	21.05	16.00
May-19	18.25	15.00	18.50	14.95
Jun-19	16.00	11.20	16.25	11.35
Jul-19	13.24	9.76	13.15	9.80
Aug-19	11.10	8.55	11.40	8.60
Sep-19	10.79	9.10	10.80	9.20
Oct-19	9.60	6.50	9.80	6.20
Nov-19	18.94	7.50	18.75	6.80
Dec-19	14.14	10.10	14.30	9.90
Jan-20	13.03	9.62	13.50	9.75
Feb-20	13.55	8.65	13.80	8.70
Mar-20	9.50	5.71	9.60	6.50

**6.10 Performance in comparison to broad based indices:**

The Chart below shows the comparison of your company’s share price movement on BSE Sensex & NSE Nifty for the financial year ended 31st March 2020 (based on month end closing):



**6.11 Registrar & Share Transfer Agents:**

SHAREX DYNAMIC (INDIA) PVT.LTD.  
 C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083  
 E-mail - support@sharexindia.com  
 Ph: 022 –22641376 / 22702485  
 Fax :022-22641349  
 Website: www.sharexindia.com  
 Business Hours: Monday to Friday: 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.  
 Contact Person: Mr. T. Sasikumar

**6.12 Share Transfer System**

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks. The Registrar and Transfer Agent considers the transfer proposals generally on a fortnight basis.

**6.13 Categories of Shareholding as on 31st March, 2020:**

Categories	Number of Shares	%
<b>(A) Shareholding of Promoter and Promoter Group</b>		
Promoters	6248497	50.22
<b>Total Shareholding of Promoter &amp; Promoter Group (A)</b>	<b>6248497</b>	<b>50.22</b>
<b>(B) Public Shareholding</b>		
<b>(i) Institutions</b>		
Banks / FI	1404	0.01
Central Govt.	0	0
<b>Total Public Institutions (B) (i)</b>	<b>1404</b>	<b>0.01</b>
<b>(ii) Non Institutions</b>		
Individuals	5447800	43.78
NRI	92555	0.74
Bodies Corporate	118451	0.95
Overseas Corporate Bodies	150000	1.21
Clearing Members	47553	0.38
Others IEPF/HUF/NBFC registered with RBI	313486	2.52
Total Public Non Institution (B) (ii)	6193115	49.77
<b>Total Public Shareholding (B)=(B)(i)+(B)(ii)</b>	<b>6194519</b>	<b>49.78</b>
<b>Total Shareholding (A) + (B)</b>	<b>12443016</b>	<b>100</b>

**6.14 Top Ten equity shareholders of the Company as on 31st March, 2020 (other than Promoters)**

Sr. No.	Name of Shareholders	No of equity Shares held	Percentage of holding
1	Sangeetha S	408670	3.284
2	Deepak Gupta	243166	1.954
3	Evenort Ltd	150000	1.205
4	Pradeep Prabhakar Rao	95107	0.764
5	Yatin Gupta	91907	0.739
6	Nandre Ranadher	56646	0.455
7	Chirag Shantilal Shah	52352	0.421
8	Sanjaykumar Vishwambharlal Dhandharia	50000	0.402
9	Pranav Satish Doshi	48000	0.386
10	Mahesh N Avlani and Others HUF	45924	0.369

**6.15 Distribution of Shareholding as on 31st March, 2020:**

No. of equity Shares held	Shareholders		Total Shares	
	Number	% of Total	Shares	% of Total
1-100	3176	39.96	180611	1.45
101-200	1285	16.16	226175	1.82
201-500	1748	21.99	645812	5.19
501-1000	852	10.72	696294	5.60
1001-5000	724	9.11	1562833	12.56
5001-10000	99	1.24	717428	5.76
10001-100000	59	0.75	1369530	11.01
100001 and above	6	0.07	7044333	56.61
<b>Total</b>	<b>7949</b>	<b>100</b>	<b>12443016</b>	<b>100</b>

**6.16 Dematerialization of Shares and Liquidity**

The Company's shares are currently traded only in dematerialized form over NSE & BSE. To facilitate trading in dematerialized form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2020, 99.99% (1,24,43,011 Equity Shares) of the Company's equity shares were held in dematerialized form. The equity shares held by the promoter & promoter group in the Company have been fully dematerialized.

**6.17 Reconciliation of Share Capital Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL. No discrepancies were noticed during these audits.

**6.18 Outstanding GDR/ ADR / Warrants or any convertible instruments, conversion date and impact on equity**

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**6.19 Commodity price risk or foreign exchange risk and hedging activities:**

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid policies and seek to minimize the effects of these risks by continuous monitoring and using derivative financial instruments to hedge risk exposures, wherever permissible and cost effective.

**6.20 Plant Location**

Plot Nos. 28,29,  
Shah & Mehta Ind. Estate,  
Village-Ghonsai, Tal. Wada, Dist. Thane

**6.21 Address for Correspondence**

The Compliance Officer,  
Hilton Metal Forging Ltd,  
Corporate Office: 204, Tanishka Commercial Building,  
Akurli Road, Near - Growel 101  
Mall, Kandivali - East Mumbai 400101  
Email id: secretarial@hiltonmetal.com

**6.22 Credit ratings**

The Credit Ratings of the Company for all the debt instruments/facilities as on 31st March, 2020 is as below: -

Long Term Bank Facilities	CARE BB; Stable
Short Term Bank Facilities	CARE A4

**7) DISCLOSURES:****7.1 Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Act, and Regulation 23 of the SEBI (Listing Regulations) during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same is also displayed on the Company's weblink [http://www.hiltonmetal.com/wp-content/uploads/2016/09/Related\\_Party.pdf](http://www.hiltonmetal.com/wp-content/uploads/2016/09/Related_Party.pdf)

**7.2. Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and

Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years except payment of penal fees as per SEBI SOP guidelines in respect of non-compliance of Regulation 29 (2) of Listing Regulations caused due to delay in furnishing prior intimation of Meeting of Board of Directors held to approve quarterly financial results for quarter ended 30th June 2019. Such delay in intimation was caused due to preponement of the scheduled meeting at very last moment due to unavailability of the Statutory Auditors to remain present at the appointed date of the meeting necessitating the Company to prepone the Meeting

### **7.3 Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013, and in terms of Regulation 22 read with Regulation 4(2)(d)(iv) of Listing Regulations, the Company has in place a vigil mechanism for Directors and Employees and has adopted a Whistle Blower policy, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of company's policies or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected or likely to be affected and formally reported by whistle blowers.

The Policy provides that all Protected Disclosures can be addressed to the Chairman of the Audit Committee in all the cases and to Whole-time Director / Chairman in exceptional cases. All protected disclosures under this policy will be recorded and thoroughly investigated. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website [www.hiltonmetal.com](http://www.hiltonmetal.com)

### **7.4 Status of compliance with mandatory requirements and Non-Mandatory Requirements**

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Regulation), 2015, to the extent applicable to the Company.

The Company has adopted following non-mandatory requirements of Listing Regulations:

- i) Audit Qualification: The Company is in regime of unqualified/unmodified financial statements.
- ii) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee periodically to ensure independence of the Internal Audit function.

### **7.5 Code for prevention of Insider-Trading Practices**

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. The Company has instituted a comprehensive code of conduct for its directors, management and officers and the other connected persons with the Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, guidelines and procedures to be made while dealing with shares of the Company including the consequences of violations if any. The code clearly specifies, among other matters, that the Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, etc. as per the Policy. Disclosure of shareholding is taken from all the directors and Designated Employees and other connected persons of the Company.

### **7.6 Certification by Practicing Company Secretary**

As per the amended Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry or Corporate Affairs or any such authority and the same is appended as an Annexure to this Report.

### **7.7 Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons**

During the year under review, the Board has accepted all the recommendation of all the Committees of the Board

### **7.8 Total fees paid to M/s. Anil Bansal & Associates, Statutory Auditors:**

Total fees (excluding taxes and OPE) for all services paid by the Company, to M/s. Anil Bansal & Associates, Statutory Auditors, is Rs. 7,50,000/-.



**7.9 Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**  
No complaints of sexual harassment of women at workplace were filed during the financial year 2019-20

**8) REVIEW OF DIRECTORS RESPONSIBILITY STATEMENT**

The Board in its Report has confirmed that annual accounts for the year ended 31st March 2020 have been prepared as per Indian Accounting Standard (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

**8) CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS**

Certificate from the Statutory auditors confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations, is attached and forms part of the Annual Report.

**9) CEO / CFO CERTIFICATE:**

The CEO/ CFO Certificate under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, for the FY 2019-20 is required but due to Resignation of Ms. Yashika Malhotra, Chief Financial Officer and Mr. Saurabh Johri, Chief Executive Officer w.e.f. 12th February, 2020 and 10th April, 2020 respectively, the said Certificate is provided by Mr. Yuvraj Malhotra, Managing Director of the Company. The Certificate is attached and forms part of the Annual Report.

**10) DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors.

**For and on behalf of the Board of Directors**

**Sd/-  
Yuvraj Malhotra  
Chairman & Managing Director  
DIN:00225156**

Place: Mumbai

Date: 31st August, 2020

**Managing Director's Declaration for Compliance with Code of Conduct**

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**For Hilton Metal Forging Limited**

**Sd/-  
Yuvraj Malhotra  
Chairman & Managing Director  
DIN:00225156**

Place: Mumbai

Date: 31st August, 2020

## **INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of Hilton Metal Forging Limited**  
**Report on the Financial Statements**

### **Opinion**

We have audited the financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2020, and its profit (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

- i We invite attention to Note 43 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve.
- ii Non-appointment of Chief Financial Officer and full-time Company Secretary as required under section 203 of the Companies Act.

**Our opinion is not modified in respect of above matter.**

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### **Other information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We draw attention to followings notes to the financial statement:

We invite attention to Note 41 relating to dues to micro and small enterprises as defined under the MSMED Act, 2006 as

identification of supplier is under process and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

We invite attention to Note 42 to the standalone financial statements, with respect to Rs. 3816.04 Lakhs (Previous Year Rs 2283.50 Lakhs) of trade receivable as at March 31, 2020. As explained to us, the Company is in discussion to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. Pending the ultimate outcome of such discussion relation to recovery of the amounts from the debtors, no adjustments or provision have been considered necessary by the management in these standalone financial statements in this regard. We have not been provided the basis of management estimate of recovery. We are unable to comment, if any, of the extent of recoverability of above debtors. Our opinion is not qualified in respect of above matter.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we further report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. Except for the matter described in the Basis of other matters paragraph, In our opinion, the aforesaid financial statements comply with applicable Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16), as amended;  

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
  - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial Statements, if any.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Anil Bansal & Associates Chartered Accountants**  
**Firm registration number:100421W**

**Anil Bansal Proprietor**  
**Membership no.: 043918 UDIN: 20043918AAAABW2690**

Place: Mumbai  
Date: 30th June, 2020

**Annexure 'A' referred to in paragraph 1 under the heading Report on other legal and regulatory requirements" of our report of even date.**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. According to the information and explanation provided to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- v. According to the information and explanation given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- ix. Based on the information and explanations given to us by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but the Company has raised new loan during the year and those raised during the year have been applied for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non- cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For Anil Bansal & Associates Chartered Accountants**  
**Firm registration number:100421W**

**Anil Bansal Proprietor**  
**Membership no. 043918 UDIN: 20043918AAAABW2690**

**Place: Mumbai**  
**Date: 30th June, 2020**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with accompanying financial statements of Hilton Metal Forging Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance



about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Anil Bansal & Associates Chartered Accountants**  
**Firm registration number:100421W**

**Anil Bansal Proprietor**  
**Membership no. 043918 UDIN: 20043918AAAABW2690**

Place: Mumbai  
Date: 30th June, 2020



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**HILTON METAL FORGING LIMITED**  
CIN: L28900MH2005PLC154986  
**Balance sheet as at 31st March 2020**

Particulars	Notes	As at 31st March 2020 Rs. In Lacs	As at 31st March 2019 Rs. In Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Capital work-in-progress	3	3,223.77	3,403.40
Investment property	3	-	29.82
Financial assets	4	87.27	87.28
Investment	5	0.50	0.50
Trade receivables	6	465.17	421.01
Other Non-current Financial Assets	7	26.99	27.66
		<b>3,803.70</b>	<b>3,969.67</b>
<b>Current assets</b>			
Inventories	8	6,679.54	6,453.01
Financial assets			
Trade receivables	6	3,350.87	1,862.49
Cash and cash equivalents	9	13.63	7.60
Other balances with banks	10	146.28	112.39
Other financial assets	7	12.72	12.93
Other current Assets	11	920.61	1,043.29
		<b>11,123.66</b>	<b>9,491.71</b>
<b>Total assets</b>		<b>14,927.36</b>	<b>13,461.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	1,244.30	1,244.30
Other equity	13	5,024.35	4,877.79
<b>Total Equity</b>		<b>6,268.65</b>	<b>6,122.09</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	14	993.06	1,080.28
Provisions	15	78.63	70.85
Deferred tax liabilities (Net)	16	669.86	664.41
		<b>1,741.55</b>	<b>1,815.54</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	3,383.42	3,070.89
Trade Payables	17	2,442.30	1,651.53
Other financial liabilities	18	115.13	127.65
Provisions	15	14.68	6.30
Other current liabilities	19	933.13	635.81
Current Tax Liability	20	28.51	31.56
		<b>6,917.16</b>	<b>5,523.74</b>
<b>Total</b>		<b>14,927.36</b>	<b>13,461.38</b>

**Significant accounting policies and Notes to the financial statements**

**2 to 46**

As per our report of even date  
For: Anil Bansal & Associates  
Chartered Accountants  
Firm registration number:100421W

For and on Behalf of Board of  
HILTON METAL FORGING LIMITED

Anil Bansal  
Proprietor  
Membership no. 043918  
Place : Mumbai  
Date : 30th June, 2020

Yuvraj Malhotra  
Chairman and Managing Director"  
(DIN-00225156)

Navraj Malhotra  
Whole Time Director  
(DIN-00225183)

**HILTON METAL FORGING LIMITED**  
CIN: L28900MH2005PLC154986  
**Statement of profit and loss for the year ended 31st March 2020**

Particulars	Notes	For the year ended 31st March 2020 Rs. In Lacs	For the year ended 31st March 2019 Rs. In Lacs
Income			
Revenue from operations	21	10,299.23	10,070.31
Other Income	22	22.14	86.52
Total Revenue		10,321.37	10,156.83
Expenses:			
Cost of materials consumed	23	7,340.79	6,974.06
Change in inventories of finished goods and Working in Progress	24	(288.79)	452.67
Employee benefit expenses	25	695.07	725.27
Depreciation & amortization expenses	26	258.82	256.51
Finance cost	27	340.66	335.89
Other expenses	28	1,804.03	1,264.16
Total expenses (II)		10,150.59	10,008.55
Profit/(loss) Before Tax		170.77	148.28
Tax expense:			
Current Tax		28.51	31.56
MAT entitelment		(18.18)	(31.56)
Deferred tax		5.45	(6.77)
Total tax expenses		15.78	(6.77)
Profit/(loss) After Tax		154.99	155.05
<b>Other comprehensive income:</b>			
i. Items that will not be reclassified to Statement of Profit and Loss		-	0.13
ii. Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-
iii. Items that will be reclassified to Statement of Profit and Loss		-	
<b>Total comprehensive income for the year</b>		-	<b>0.13</b>
Profit/(loss) transfer to balance sheet	29	<b>154.99</b>	<b>155.17</b>
Earnings per equity share of face value of ₹ 10 each"			
Basic (in ₹)		1.25	1.25
Diluted (in ₹)		1.25	1.25

Significant accounting policies and Notes to the financial statements

2 to 46

As per our report of even date  
For: Anil Bansal & Associates  
Chartered Accountants  
Firm registration number:100421W

For and on Behalf of Board of  
HILTON METAL FORGING LIMITED

Anil Bansal  
Proprietor  
Membership no. 043918  
Place : Mumbai  
Date : 30th June, 2020

Yuvraj Malhotra  
Chairman and Managing Director"  
(DIN-00225156)

Navraj Malhotra  
Whole Time Director  
(DIN-00225183)

**HILTON METAL FORGING LIMITED**

CIN: L28900MH2005PLC154986

**Cash Flow Statement for the year ended 31st March, 2020**

	Notes	For the year ended 31st March 2020 Rs. In Lacs	For the year ended 31st March 2019 Rs. In Lacs
<b>A. Cash flow from operating activities</b>			
<b>Profit before tax and after prior period items</b>		<b>170.77</b>	<b>148.28</b>
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Loss on sales of fixed assets		-	3.01
Depreciation and amortization		258.82	256.51
Finance costs		340.66	335.89
Interest / Rent Income income		(22.08)	(44.38)
Dividend income		(0.04)	(0.04)
<b>Operating profit before working capital changes</b>		<b>748.14</b>	<b>699.26</b>
Movements in working capital:			
Decrease/(increase) in inventories		(226.54)	255.04
Decrease/(increase) in trade receivables		(1,540.07)	724.20
Decrease/(increase) in trade receivables		296.34	(435.95)
Decrease/(increase) in loans, financial and other assets		312.53	521.18
Increase/(decrease) in short term borrowings		790.77	(2,184.52)
Increase/(decrease) in trade payables		(6.13)	614.32
Increase/(decrease) in loans, financial & other liabilities		(10.47)	6.28
Increase/(decrease) in provisions			
<b>Cash generated from / (used in) operations</b>		<b>364.58</b>	<b>199.82</b>
Direct taxes paid (net of refunds)		15.78	(6.77)
cash flow before extraordinary item		380.36	193.05
Extra ordinary item		-	-
<b>B. Net cash flow from/ (used in) operating activities (A)</b>		<b>380.36</b>	<b>193.05</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(13.26)	(40.30)
Proceeds from disposal of property, plant and equipment		-	3.00
Interest received / rent received		22.08	44.38
Dividend received		0.04	0.04
		8.86	7.12
<b>C. Cash flows from financing activities</b>			
Long term borrowing / repayment (net)		(8.64)	119.68
Finance cost		(340.66)	(335.89)
<b>Net cash flow from/ (used in) in financing activities (C)</b>		<b>(349.30)</b>	<b>(216.21)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>39.92</b>	<b>(16.04)</b>
Cash and cash equivalents at the beginning of the year		119.99	136.02
<b>Cash and cash equivalents at the end of the year</b>		<b>159.91</b>	<b>119.99</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		13.29	6.67
With banks- on current account		146.62	113.32
<b>Total cash and bank equivalents</b>		<b>159.91</b>	<b>119.99</b>

Significant accounting policies and Notes to the financial statements

2 to 46

As per our report of even date  
For: Anil Bansal & Associates  
Chartered Accountants  
Firm registration number:100421W

For and on Behalf of Board of  
HILTON METAL FORGING LIMITED

Anil Bansal  
Proprietor  
Membership no. 043918  
Place : Mumbai  
Date : 30th June, 2020

Yuvraj Malhotra  
Chairman and Managing Director"  
(DIN-00225156)

Navraj Malhotra  
Whole Time Director  
(DIN-00225183)

**HILTON METAL FORGING LIMITED**

CIN: L28900MH2005PLC154986

**Statement of change in equity for the year ended 31st March 2020**

<b>A. EQUITY SHARE CAPITAL</b>					( ₹ in Lakhs)
<b>Balance at the beginning of the reporting period i.e. 1st April, 2018</b>	<b>Changes in Equity Share capital during the year 2018-19</b>	<b>Balance at the end of the reporting period i.e. 31st March, 2019</b>	<b>Changes in Equity Share capital during the year 2019-20</b>	<b>Balance at the end of the reporting period i.e. 31st March, 2020</b>	
1,244.30	-	1,244.30	-	1,244.30	
<b>B. OTHER EQUITY</b>					( ₹ in Lakhs)
<b>Particulars</b>	<b>Reserve &amp; Surplus</b>				<b>Total</b>
	<b>General Reserve</b>	<b>Securities Reserve</b>	<b>Retained Earnings</b>	<b>Item of other comprehensive income</b>	
Profit/(loss) for the year	-	-	155.17	-	155.17
Other comprehensive Income including net of Tax	-	-	-	23.13	23.13
"Balance at the end of the reporting period i.e. 31st March, 2019	515.53	3,361.81	954.76	45.71	4,877.79
Balance at the beginning of the reporting period i.e. 1st April, 2019"	515.53	3,361.81	954.76	45.71	4,877.79
Profit/(loss) for the year	-	-	154.99	-	154.99
"Other comprehensive Income including net of Tax	-	-	-	(8.43)	(8.43)
Balance at the end of the reporting period i.e. 31st March, 2020	515.53	3,361.81	1,109.75	37.27	5,024.35

As per our report of even date  
For: Anil Bansal & Associates  
Chartered Accountants  
Firm registration number:100421W

Anil Bansal  
Proprietor  
Membership no. 043918  
Place : Mumbai  
Date : 30th June, 2020

For and on Behalf of Board of  
HILTON METAL FORGING LIMITED

Yuvraj Malhotra  
Chairman and Managing Director"  
(DIN-00225156)

Navraj Malhotra  
Whole Time Director  
(DIN-00225183)

**Notes to the Financial Statement for the year ended March 31, 2020**

**Note No. 1 – Corporate Information:**

- a) Hilton Metal Forging Limited established in 2005 is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 701 Palm Spring, Link Road, Malad West, Mumbai 400064, Maharashtra and plant at Ghonsai Village, WadaTaluka,PalgharDist.
- b) The Company is primarily engaged in the business of manufacturing of iron and steel forging, recognized export house, presently catering to the needs of Oil and Gas, Refineries and pharmaceutical industries.

**Note No. 2 - Significant accounting policies:**

**a) Basis of preparation of financial statements**

The financial statements of the Company are prepared in accordance with and to comply in all material aspect with the Indian Accounting Standards (Ind AS).

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosures.

**b) Use of estimates and judgments**

- i) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.
- ii) The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**c) Property, plant and equipment**

- i. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- ii. Assets in the course of construction are capitalised in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalised.

**d) Depreciation**

- i. Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013.
- ii. Depreciation on Property, plant and equipment is calculated on a straight –line basis, from the month of addition, using estimated useful lives, as specified in schedule II to the Companies Act 2013, except in respect of following assets:

<b>Particulars</b>	<b>Useful life as per management (as technically assessed)</b>	<b>Useful life under schedule II of Companies Act, 2013</b>
Buildings	Upto 60 years	60 years
Plant & Machinery	10 to 25 years	15 years
Vehicles	10 years	10 years
Furniture & Fixtures	10 to 13 years	10 years
Computer Software	3 to 6 years	3 to 6 years
Office Equipment	7 to 12 years	5 years

**e) Borrowing costs**

- i) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- ii) All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

**f) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**g) Inventories**

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

**h) Revenue recognition****i) Sale of goods**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

**ii) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**iii) Income from Services**

Income from services rendered is recognised based on the terms of the agreements as and when services are rendered and are net of applicable taxes.

**i) Foreign currency transactions and foreign operations**

The functional currency of the Company is the Indian Rupees (INR). These financial statements are presented in Indian Rupees.

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rate prevailing on that date. All the exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.



**j) Employee benefits****Short term employee benefits:**

Short-term employee benefits are expensed as related service as provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Contribution towards provident fund is made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

**Defined benefit plans:**

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expenses (income) on the defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

**k) Income Tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**i) Current tax**

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Minimum Alternate Tax ('MAT')**

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**l) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders.

**m) Provisions and contingencies**

The Company recognizes provisions when there is a present obligation (legal or constructive) as a result of a past event, that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

A present obligation that arises from past events but is not recognized because:

1. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
2. The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**n) Financial instruments**

The company enters into foreign exchange forward contracts to manage its foreign exchange rate risk.

Derivatives are initially recognised at fair value at the end of each reporting period. The resulting gain or loss is recognized in statement of profit and loss immediately.

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**o) Financial assets****a) Recognition and Initial measurement**

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the Statement of Profit and Loss.

**b) Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

**c) Classification of financial assets****i) Debt Instruments**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition)

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- (b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss. All other financial assets are subsequently measured at fair value.

**p) Financial liabilities and equity instruments**

**i) Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**iii) Financial liabilities**

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**1. Amortized Cost**

Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expenses calculated using effective interest rate method is recognised in the statement in profit and loss.

**2. Financial liabilities at FVTPL**

Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expenses on these liabilities are recognised in the statement of profit and loss

**De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations when, and only when, the Company's obligations are discharged, cancelled or have expired.

(Rs. In Lacs)

Particulars	Gross Block of Assets			Depreciation			Net Block		
	As on 01/04/2019	Addition/ Transfer	Disposal/ Transfer	As on 31/3/2020	As on 01/04/2019	During the Year	Deduction	As on 31/03/2020	As on 31/03/2019
Land	137.59	-	-	137.59	-	-	-	137.59	137.59
Building and Shed	714.72	31.26	-	745.98	232.27	13.09	-	245.37	482.45
Staff Quarters	106.46	-	-	106.46	33.92	1.96	-	35.88	72.54
Office Premises	1.70	-	-	1.70	1.70	-	-	1.70	0.00
Plant & Machinery	4,444.47	8.28	-	4,452.75	1,826.45	188.55	-	2,015.01	2,618.02
Electrical Installation	92.78	2.57	-	95.35	56.36	8.57	-	64.94	36.42
Motor Car	6.73	-	-	6.73	5.60	0.80	-	6.40	1.13
Office Equipment	35.63	-	-	35.63	19.98	3.30	-	23.29	15.64
Designs & Drawings	0.68	-	-	0.68	0.65	-	-	0.65	0.03
Computer	41.03	0.86	-	41.88	34.92	1.96	-	36.88	6.11
Furniture & Fixtures	90.52	1.56	-	92.07	57.05	5.92	-	62.97	33.47
<b>Total</b>	<b>5,672.31</b>	<b>44.52</b>	-	<b>5,716.83</b>	<b>2,268.91</b>	<b>224.16</b>	-	<b>2,493.07</b>	<b>3,403.40</b>
At 31st March 2019	5,765.70	9.58	102.97	5,672.31	2,059.75	218.84	9.68	2,268.91	-
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-	<b>29.82</b>

**HILTON METAL FORGING LIMITED**

CIN: L28900MH2005PLC154986

**Notes to the Financial Statement for the year ended 31st March, 2020**

**Note 4- Investments Property**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Property held with investment	87.27	87.28
<b>Total</b>	<b>87.27</b>	<b>87.28</b>

**Note 5- Non Current Investment**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<u>Unquoted Shares</u> 500 Equity Shares (P.Y. 500) of Rs. 100 each, fully paid up of Saraswat Co-Op Bank Ltd	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**Note 6 - Trade receivables**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Unsecured, considered good	465.17	421.01
<b>Total</b>	<b>465.17</b>	<b>421.01</b>
<b>Current</b>		
Unsecured, considered good	3,350.87	1,862.49
<b>Total</b>	<b>3,350.87</b>	<b>1,862.49</b>

**Note 7 - Other Financial Assets**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Non-current</b>		
Secured - Considered Good		
Security deposit	26.99	27.66
<b>Total</b>	<b>26.99</b>	<b>27.66</b>
<b>Current</b>		
Secured - Considered Good		
Security deposit	6.30	7.99
Interest accrued on fixed deposit	6.42	4.94
<b>Total</b>	<b>12.72</b>	<b>12.93</b>

**Note 8 - Inventories**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Raw Material (including Goods in Transit)	3,280.44	3,342.86
Semi Finished Goods	2,209.03	2,000.34
Finished Goods	83.89	36.46
Store, Spares & Consumables	32.67	34.24
Dies and Inserts	1,073.51	1,039.11
<b>Total</b>	<b>6,679.54</b>	<b>6,453.01</b>

**Note 9 - Cash and Cash Equivalents**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Cash in hand	13.29	6.67
Balance with banks:		
On current accounts	0.34	0.92
<b>Total</b>	<b>13.63</b>	<b>7.60</b>

**Note 10 - Other balances with banks**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Other balance with banks		
Unpaid dividend account	1.74	2.16
EEFC account	1.97	0.06
Earmarked deposit accounts	142.57	110.17
<b>Total</b>	<b>146.28</b>	<b>112.39</b>

**Note 11 - Other current Assets**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>(Unsecured, Considered Good)</b>		
Balance with Statutory Authorities	279.96	527.39
Others advances	640.65	515.90
<b>Total</b>	<b>920.61</b>	<b>1,043.29</b>

**Note 12 - Share Capital**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>a. Authorised Shares</b>		
15,000,000 (Previous year 15,000,000) Equity Shares of Rs. 10/- each.	1,500.00	1,500.00
<b>Issued, Subscribed and fully paid -up Shares</b>		
12,443,016 (Previous year 12,443,016) Equity Shares of Rs. 10/- each.	1,244.30	1,244.30
<b>Total Issued, Subscribed and fully paid -up Shares</b>	<b>1,244.30</b>	<b>1,244.30</b>

**b. Reconciliation of number of shares outstanding**
**Equity Share Capital**

Particular	As at 31st March 2020		As at 31st March 2019	
	Share in Lacs	Rs. in Lacs	Share in Lacs	Rs. in Lacs
As at the beginning of the year	124.43	1,244.30	124.43	1,244.30
Add : During the year	-	-	-	-
<b>As at the end of the year</b>	<b>124.43</b>	<b>1,244.30</b>	<b>124.43</b>	<b>1,244.30</b>

**c. Term/ Right Attached tot Equity Share**

The company has only one class of equity shares having a per value of Rs. 10 per share. Each share of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d. Details of Shareholders holding more than 5% shares in the Company**

Particular	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% Holding	Number of Shares	% Holding
Name of the equity shareholder				
Yuvraj Hiralal Malhotra	5,688,959	45.72%	5,687,334	45.71%

**Note 13 - Other equity**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>a) General Reserve</b>		
Balance as per the last financial statement	515.53	515.53
Add: Transfer during the year	-	-
<b>Closing balance</b>	<b>515.53</b>	<b>515.53</b>
<b>b) Share premium</b>		
Balance as per the last financial statement	3,361.81	3,361.81
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>3,361.81</b>	<b>3,361.81</b>



<b>c) Other Comprehensive Income</b>		
Balance as per the last financial statement	45.70	22.58
Add: Addition during the year	(8.43)	23.13
<b>Closing balance</b>	<b>37.27</b>	<b>45.70</b>
<b>d) Surplus in the statement of profit and loss</b>		
Balance as per the last financial statement	954.75	799.59
Add: Transfer during the year	154.99	155.17
<b>Closing balance</b>	<b>1,109.74</b>	<b>954.75</b>
<b>Total</b>	<b>5,024.35</b>	<b>4,877.79</b>

**Note 14 - Borrowing**

Particular	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current	Non Current	Current
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<b>Secured Loans</b>				
<u>Term loans*</u>				
Indian rupee loan from Banks	773.39		796.00	-
<u>Working capital loan**</u>				
From Banks [Rupee Loan]		3,383.42		3,070.89
<b>Unsecured Loans</b>				
Indian rupee loan from Banks	52.36		38.54	-
sales tax deferred	110.13		110.13	
Loan from Related Party (Refer Note 14.1)	133.76		176.06	
	<b>1,069.65</b>	<b>3,383.42</b>	<b>1,120.74</b>	<b>3,070.89</b>
Less: Amount disclosed under the head current liabilities (Note-15)"	76.59		40.46	
<b>Net amount</b>	<b>993.06</b>	<b>3,383.42</b>	<b>1,080.28</b>	<b>3,070.89</b>

\*\*a. Term loans are secured by way of Mortgage of fixed assets as office premises and flats situated at mumbai and by the personal guarantee from managing director and director.

\*\*b. Working capital loan from banks is secured by way of hypothecation of present and future Inventories, Book debt, plant & machinery of the company and mortgage of the factory land & building situated at wada and by the personal guarantee from managing director and director.

**Note 14.1 - Loan from related parties**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Yuvraj Malhotra	42.76	84.98
Diksha Malhotra	79.65	77.93
Yashika Malhotra	11.35	13.15
<b>Total</b>	<b>133.76</b>	<b>176.06</b>

**Note 15 - Provision**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Non Current</b>		
Provision for gratuity	70.78	63.40
Provision for leave entitlements	7.84	7.45
<b>Total</b>	<b>78.63</b>	<b>70.85</b>
<b>Current</b>		
Provision for gratuity	13.61	5.38
Provision for leave entitlements	1.07	0.92
<b>Total</b>	<b>14.68</b>	<b>6.30</b>

**Note 16 - Deferred tax liabilities (Net)**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<u>Deferred tax liabilities</u>		
Related to fixed assets	669.86	664.41
<b>Deferred tax liabilities (Net)*</b>	<b>669.86</b>	<b>664.41</b>

\* Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

**Note 17 - Trade Payables**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<u>Micro, Small &amp; Medium Enterprises (Refer Note-41)</u>	-	-
Others Payable	2,442.30	1,651.53
<b>Total</b>	<b>2,442.30</b>	<b>1,651.53</b>

**Note 18 - Other financial liabilities**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Current</b>		
Current Maturity	76.59	40.46
Interest accrued but not Due	24.79	4.65
Unpaid Dividend	1.74	2.16
Others	12.00	80.38
<b>Total</b>	<b>115.13</b>	<b>127.65</b>

**Note 19 - Other Current Liabilities**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Statutory Dues	10.16	27.89
Advance from customers	367.43	329.89
Other Current liabilities*	555.54	278.03
<b>Total</b>	<b>933.13</b>	<b>635.81</b>

\* Other Current Liabilities include Creditor for capital expenditure & expenses

**Note 20 - Provisions**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Current Income Tax	28.51	31.56
<b>Total</b>	<b>28.51</b>	<b>31.56</b>

**Note 21 -Revenue From Operation**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Revenue from operations</b>		
Sale of products	10,027.33	9,799.10
Other Operating Revenues	271.90	271.21
<b>Total revenue from operations</b>	<b>10,299.23</b>	<b>10,070.31</b>

**Note 22 - Other Income**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Dividend	0.04	0.04
Discount Received	0.01	42.09
Interest on FDR	8.33	13.03
Rent Income	13.75	31.35
<b>Total</b>	<b>22.14</b>	<b>86.52</b>

**Note 23 - Cost of material and consumed**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Opening Stock	3,377.09	3,177.28
Add: Purchases (Including stores )	7,244.13	7,173.88
	<b>10,621.23</b>	<b>10,351.16</b>
Less: Closing Stock (including stores)	(3,280.44)	(3,377.09)
<b>Total</b>	<b>7,340.79</b>	<b>6,974.06</b>

**Note 24 - Change in inventories of finished goods and Work in Progress**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Closing stock of finished goods	83.89	36.46
Closing stock of Semi-finished goods	2,241.71	2,000.34
	2,325.59	2,036.80
Less: Opening stock of finished goods	36.46	112.62
Opening stock of Semi- finished goods	2,000.34	2,376.85
	2,036.80	2,489.47
<b>Total</b>	<b>(288.79)</b>	<b>452.67</b>

**Note 25 - Employee benefit expenses**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Salaries, wages and bonus	651.47	681.85
Contribution to provident and other funds	31.07	22.77
Staff welfare expenses	12.53	20.65
<b>Total</b>	<b>695.07</b>	<b>725.27</b>

**Note 26 - Depreciation and amortization expense**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Depreciation on tangible assets	224.16	218.84
Dies amortize cost	34.67	37.67
<b>Total</b>	<b>258.82</b>	<b>256.51</b>

**Note 27 - Finance Costtt**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Interest on Borrowing	306.47	292.71
Other	34.19	43.18
<b>Total</b>	<b>340.66</b>	<b>335.89</b>

**Note 28 - Other expenses**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Manufacturing expenses</b>		
Power and fuel	469.83	488.72
Factory General Expenses	145.64	136.00

Labour Charges	27.23	8.16
Water Charges	6.40	7.37
Machinery Repairs & Maintenance	46.76	64.97
	<b>695.87</b>	<b>705.23</b>
<b>Sales &amp; Administration Expenses</b>		
Advertisement & Sales Promotion Expenses	16.34	39.13
Communion Cost	4.44	5.10
Rent, Rates & Taxes	25.40	22.38
Traveling & Conveyance	55.46	55.91
Printing and Stationery	1.12	1.48
Freight & Forwarding Charges	771.80	153.63
Packing Material Consumed	35.26	38.62
Legal & Professional Charges	65.48	56.26
Auditors Remuneration	7.50	7.50
General expenses	125.37	178.92
	1,108.16	558.93
<b>Total</b>	<b>1,804.03</b>	<b>1,264.16</b>
<b>Payment to Auditor</b>		
Audit fee	7.50	7.50
	<b>7.50</b>	<b>7.50</b>

**Note 29 - Basic earnings per shares**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Profit after tax (Rs. In Lacs)	154.99	155.05
Weighted average number of shares outstanding during the year (In Lacs)	124.43	124.43
Face value per share (In Rs.)	10.00	10.00
Basic & Diluted earnings per share (In Rs.)	1.25	1.25

**Note 30 - Contingent liabilities**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Bill discounted with bank	-	49.66
Bank guarantee	100.00	90.00

**Note 31 - Segment reporting**

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Manufacturing of Steel Forgings and Flanges and Forged Fittings for oil & gas industry, Petrochemicals and refineries industry. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

**Note 32 - Gratuity**

The company operates one-defined plans, viz., gratuity Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 out of 26 days of salary for year of service. The gross obligation toward the gratuity at the end of the year on is Rs. 84.39 Lacs (previous year, 68.78 Lacs lacs The Company has not funded the gratuity obligation against any plan assets.

**(i) Expenses recognised in the statement of profit and loss:**

	Year ended 31st March 2020	Year ended 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Current service cost	4.67	4.49
Past service cost and loss/(gain)	-	-
Net interest cost	4.92	4.90
<b>Total expenses recognized in the statement of profit or loss</b>	<b>9.59</b>	<b>9.39</b>

**(ii) Other Comprehensive Income for the current period**

	Year ended 31st March 2020	Year ended 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	4.34	0.28
Due to Change in Demographic assumptions	(0.06)	
<b>Due to experience adjustments</b>	<b>1.73</b>	<b>(8.72)</b>
<b>Amounts recognized in Other Comprehensive Income</b>	<b>6.02</b>	<b>(8.44)</b>

**iii) Defined benefit obligation are as follows:**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Liability at the beginning of the year	68.78	67.83
Interest cost	4.92	4.90
Current service cost	4.67	4.49
Due to changes in financial assumption	4.34	0.28
Due to changes in demographic assumption	(0.06)	-
Past service cost	-	-
Due to experience Adjustment	1.73	(8.72)
<b>Liability at the end of the year</b>	<b>84.39</b>	<b>68.78</b>

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	As at 31st March 2020
	Rs. In Lacs
Discount rate	6.55% P.A
Rate of increase in compensation levels	As per policy
Withdrawal Rate	As per policy
Age of retirement (years)	60

**Note - 33 Leave Benefits**

The benefits are governed by the companys Leave Policy. The gross obligation toward the Leave Benefit at the end of the year on is Rs. 8.91 Lacs (previous year, Rs. 8.37 Lacs ).

**(i) Expenses recognised in the statement of profit and loss:**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Current service cost	1.11	1.28
Net interest cost	0.60	0.69
Net value of remeasurements on the obligation and plan asset	(1.18)	(2.10)
<b>Total expenses recognized in the statement of profit or loss</b>	<b>0.54</b>	<b>(0.13)</b>

**(ii) defined benefit obligation:**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Opening Defined Benefit Obligation	8.37	9.15
Interest cost	0.60	0.69
Current service cost	1.11	1.28
Due to changes in financial assumption	0.46	0.04
Due to changes in demographic assumption	(0.00)	-
Benefit paid	-	(0.65)
Due to experience Adjustment	(1.63)	(2.13)
<b>Liability at the end of the year</b>	<b>8.91</b>	<b>8.37</b>

**Key Assumption used in determining obligations for the company's plans are shown below:**

	As at 31st March 2020
	Rs. In Lacs
Discount rate	6.55% P.A
Rate of increase in compensation levels	As per policy
Withdrawal Rate	As per policy
Average Age of retirement (years)	60

**Note 34 - Related Party Disclosure [as certified by Management]**
**(a) List of related parties where control exists and related with whom transactions have taken place and relationships:**

Name of the Related Party	Designation	Relationship
Yuvraj Malhotra	Chairman and Managing Director (CMD)	Key Management Personnel
Navraj Malhotra	Whole time Director	
Diksha Malhotra	Director (upto 31/10/2019)	
Sanjay Jain	Director	
Sukesh Joshi	Director	
Nikita Moradia	Director (from 06/08/2019)	
Prithivish Mundra	Director (from 05/08/2019)	
Sandeep Shah	Director (from 15/05/2019)	
Labdhi shah	Company Secretary (Upto 30/11/2019)	
Yashika Yuvraj Malhotra	Chief Financial Officer (Up to 11/02/2019)	
Saurabh Johri	Chief Executive Officer	



**b) Transactions with related parties for the year ended March 31, 2020**

Particulars	Key Management Personnel	
	At at 31st March 2020 (In Lacs)	At at 31st March 2019 (In Lacs)
<b>Remuneration:</b>		
Yuvraj Malhotra	45.00	60.00
Navraj Malhotra	24.00	24.00
Diksha Malhotra	22.50	30.00
Sajan Motwani	-	2.05
Labdhi Shah	2.45	0.81
Yashika Yuvraj Malhotra	12.00	12.00
Saurabh Johri	24.00	-
<b>Loans taken</b>		
Yuvraj Malhotra	50.04	40.51
Diksha Malhotra	59.25	6.50
Yashika Yuvraj Malhotra	0.70	3.50
<b>Loans repayment</b>		
Yuvraj Malhotra	92.25	56.44
Diksha Malhotra	57.53	7.48
Yashika Yuvraj Malhotra	2.50	-

**C) Balances with related parties as at March 31, 2020**

Balance Outstanding at year end		
Yuvraj Malhotra	42.76	84.98
Diksha Malhotra	79.65	77.93
Yashika Yuvraj Malhotra	11.35	13.15

**Note 35 - Expenditure in foreign currency (accrual basis)**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Foreign Travelling	2.17	3.59
<b>Total</b>	<b>2.17</b>	<b>3.59</b>

**Note 36 - Value of Imports calculated on CIF basis**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Trading goods	257.44	1,212
<b>Total</b>	<b>257.44</b>	<b>1,212</b>

**Note 37 - Imported and indigenous raw material, components and spare parts consumed**

Particular	As at 31st March 2020		As at 31st March 2019	
	% of total consumption	Amt in Rs. Lacs	% of total consumption	Amt in Rs. Lacs
Imported	-	-	-	-
Indigenous	100%	7,052.00	100%	7,426.73
<b>Total</b>	<b>100%</b>	<b>7,052.00</b>	<b>100%</b>	<b>7,426.73</b>

**Note 38 - Financial Derivative Instruments**

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2020 is USD \$ 544,712.00 & Euro (€) 5053.55 [previous year USD \$ 432,340.50]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

**Note 39 - Categories Of Financial Instruments**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
<b>Financial Assets</b>		
<u>Break up of financial assets carried at amortised cost Trade receivables (Note 6)</u>	3,816.04	2,283.50
Cash and Bank balances (Note 9 & 10)	159.91	119.99
Other financial assets (Note 7)	39.71	40.60
<b>Total financial assets carried at amortised cost</b>	<b>4,015.67</b>	<b>2,444.09</b>
<u>Break up of financial assets at fair value through profit or loss</u>		
Investments-Non-current (Note 5)	0.50	0.50
<b>Total financial assets carried at fair value through profit or loss</b>	<b>0.50</b>	<b>0.50</b>
<b>Financial Liabilities</b>		
<u>Break up of financial liabilities carried at amortised cost</u>		
Non Current-Long term Borrowings (Note 14)	993.06	1,080.28
Current-Short term Borrowings (Note 14)	3,383.42	3,070.89
Trade payables (Note 17)	2,442.30	1,651.53
Other Current Financial Liabilities (Note 18)	115.13	127.65
<b>Total financial liabilities carried at amortised cost</b>	<b>6,933.91</b>	<b>5,930.35</b>
The management has assessed that the carrying values of the Financial Assets and Liabilities at amortised cost approximate their fair value largely due to their short-term maturities of these instruments.		

**Note 40A - Financial Risk Management Objectives And Policies**

The Company's principal financial assets include trade & other receivables, and cash & cash equivalents that derives directly from its operations. The Company's principal financial liabilities comprise trade & other payables and short term borrowings. The main purpose of majority of these financial liabilities is to manage working capital of the Comp any.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The below note explains the sources of risk which the Company is exposed to and how the entity manage the risk :

**A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, primarily cash & cash equivalents.

**ii) Trade receivables**

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored through credit lock and release effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold any collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as most of its external customers are established players in their industry.

**ii) Cash and Cash equivalents and Other financial assets**

Credit risk from balances with banks is managed by the Board of Directors in accordance with the Company's policy. Investment of surplus funds are made for short-term in deposit with banks. Investments and Bank deposits are reviewed by the Board of Directors on a quarterly basis. Credit risk arising from short term liquid fund, cash and cash equivalents and other balances with banks is limited and no collaterals are held against these because the counterparties are banks.

Other financial assets mainly include security deposits & other receivables. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

**B) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. For the Company, the market risk is the possibility of changes in foreign currency exchange rates and commodity prices which may affect the value of the Company's financial assets, liabilities or expected future cash flows.

**ii) Commodity Risk**

Commodity risk for the Company is mainly related to fluctuations in steel prices which drives the prices of billet, steel bars, and tubes. Since, steel is the primary input materials for making of forging, which are used in manufacturing the final products, any fluctuation in steel prices can lead to drop in operating margin. Most of these input materials are procured from approved vendors and subject to price negotiations. In order to mitigate the risk associated with raw material and components prices, the Company manages its procurement through productivity improvements, expanding vendor base and constant pricing negotiation with vendors. The Company renegotiates the prices with its customers in case there is more than normal deviation in the prices of its major raw materials. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc., which are mainly in US Dollars are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit or loss / equity of the Company. Net foreign currency exposure also reviewed by the Board of Directors on a quarterly basis.

**Foreign currency sensitivity analysis**

The Company is exposed to the currencies USD & EURO on account of outstanding receivables (+) and payables (-). The Company's net exposure to foreign currency risk at the end of the reporting period expressed in respective currencies given below;

Foreign currency exposure that are not hedge by derivative instruments as on 31st March, 2020 is USD \$ 544,712.00 & Euro (€) 5053.55 [previous year USD \$ 432,340.50]. The unhedged exposure are naturally hedged by foreign currency earnings and earnings linked to foreign currency.

**C) Liquidity risk**

Liquidity risk is defined as a risk that the Company will not be able to meet its obligations on time or at a reasonable price. An effective liquidity risk management takes into consideration in maintaining optimum level of cash and cash equivalents and the availability of funding through an credit facilities at a reasonable cost to meet the obligation when due. Additionally, the processes and policies related to such risks are reviewed and controlled by senior management team. Management continuously reviews the actual cash flows and forecasts the expected cash flows to monitor the liquidity position. All the current financial liabilities of the Company are due to be paid with in twelve months from the date from the Balance sheet date. All non-current financial liabilities are due to be paid in more than twelve months from the Balance sheet date. However the interest component of all the non-current financial liabilities if any will be payable as and when due, which may be with in twelve months from the date of Balance sheet date.

**Fair values**

**i) Class wise fair value of the Company's financial instruments:**

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Investments (unquoted) in Equity shares	0.50	0.50

**ii) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets

<b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:</b>			
Assets measured at fair value::	-	-	0.50
Investment in equity shares	-	-	0.50
<b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:</b>			
Assets measured at fair value:	-	-	0.50
Investment in equity shares	-	-	0.50

a) The Company has determined the carrying value of the investment as its fair value in the absence of any available fair value for its non-current investment which is carried at cost.

**Note 40B - Capital Management**

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company's objective when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that the Company maximise shareholder value and provide benefits for other stakeholders and
- (ii) Maintain an optimal capital structure to reduce the weighted average cost of capital In order to maintain or adjust the capital structure.

	As at 31st March 2020	As at 31st March 2019
	Rs. In Lacs	Rs. In Lacs
Total Debt (Note 14)	4,453.07	4,191.63
Total Equity	6,268.65	6,122.09
Debt to Equity %	71.04%	68.47%

**Note 41 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

**Note 42** - Out of the total debtors of Rs.3816.04 Lakhs As at March 31, 2020, Rs.465.17 Lakhs has more than one year at the year end. For this the management is in discussion with these debtors to expedite the recoverability of the above aforesaid outstanding amounts and believes that the entire amount is fully recoverable. In view of the forgoing, no provision is considered necessary in these financial statements in this regard.

**Note 43** - The outbreak of COVID-19 across Globe and India in Pandemic. The Central Government has imposed nationwide lock-down from 24th March 2020 to prevent the spread. The company had shutdown plant and office activities across its location impacting the business during the last quarter. The company has taken and shall continue to take various steps to protect its employees from pandemic. The company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of this financial statement, in determination of the recoverability and carrying value of property, plant and equipment, right of use assets, other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the company's financial statement, which may differ from that considered as at the date of approval of these financial statements. The company will continue to closely monitor material changes to future economic conditions. The company has resumed business activities as per the Central and State Governments Guidelines."

**Note 44** - Pursuant to the taxation law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. In the year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit.

**Note 45** - Trade receivable, trade payable, loans & advances and outstanding balance are subject to confirmation and reconciliation. However, the Management does not expect any material variation in the financial results.

**Note 46** - The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

Significant accounting policies and Notes to the financial statements 2 to 46

As per our report of even date  
For: Anil Bansal & Associates  
Chartered Accountants  
Firm registration number:100421W

For and on Behalf of Board of  
HILTON METAL FORGING LIMITED

Yuvraj Malhotra  
Chairman and Managing Director"  
(DIN-00225156)

Navraj Malhotra  
Whole Time Director  
(DIN-00225183)

Anil Bansal  
Proprietor  
Membership no. 043918  
Place : Mumbai  
Date : 30th June, 2020